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**Supporting SMEs' Internationalisation
through a Deeper Understanding of
Government Comprehensive Support:
A Case Study of German Manufacturing
SMEs**

Michael Stopfkuchen

PhD

2021

**Supporting SMEs' Internationalisation
through a Deeper Understanding of
Government Comprehensive Support:
A Case Study of German Manufacturing
SMEs**

Michael Stopfkuchen, M.A.

A thesis submitted in partial fulfilment of
the requirements of the University of
Northumbria at Newcastle for the degree of
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Newcastle Business School

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Abstract

This research addressed the question ‘How can German SMEs use a variety of economic promotion programmes provided by government organisations to foster internationalisation’ and aimed to develop a theoretical framework for the promotion of international activities. It has become apparent that this subject was underrepresented in the literature. In particular, the anchoring of a government network perspective, which forms the basis of the theoretical framework for a comprehensive government support system to foster internationally active SMEs, was not existent within the institutional network theory.

The philosophical worldview pragmatism is the methodological background. Based on this, a mixed method approach was chosen, which consisted of a preliminary study part and the main study part. The preliminary study included a quantitative enterprise survey and a usability testing of the central funding database available to enterprises in Germany. Based on the findings from these studies, a case study followed to gain deeper knowledge from the perspective of different enterprises in order to derive a useful theoretical framework.

Based on the empirical findings, a theoretical framework emerged consisting of a closely interconnected governmental support network that includes various governmental organisations offering support instruments for SMEs’ internationalisation. As a key success factor within this one-house approach, the SMEs highlighted the involvement of a central coordinating body that manages the majority of the interaction between the government organisations and the enterprises. Furthermore, the findings implied several critical success factors that are important for an efficient use by the enterprises.

The findings from the research confirmed that a stricter government network perspective is needed within the existing institutional network theory. This emerging approach must be the basis on which SMEs can benefit more from a comprehensive government support network in internationalisation. The findings expanded the knowledge about the concrete elements of a coherent theoretical framework that was only rudimentarily anchored in the previous literature. In particular, the inclusion of the enterprise's point of view in the development of a framework was important, as previous research focused strongly on the government perspective.

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Abbreviations

AHK	Außenhandelskammer (German Chambers of Commerce Abroad)
AKA	AKA - European Export and Trade Bank
AUMA	AUMA Ausstellungs- und Messe-Ausschuss der Deutschen Wirtschaft e.V. (AUMA - Exhibition and Trade Fair Committee of the German Economy)
bw-i	Baden-Württemberg International (Baden-Wuerttemberg International)
BDI	Bundesverband der Deutschen Industrie e.V. (Federal Association of German Industry)
BfAI	Bundesagentur für Außenwirtschaft (Federal Agency for Foreign Trade)
BMEL	Bundesanstalt für Landwirtschaft und Ernährung (Federal Ministry for Agriculture and Food)
BMWi	Bundesministerium für Wirtschaft und Energie (Federal Ministry for Economic Affairs and Energy)
BU	Berne Union
BW	State Baden-Wuerttemberg
CFE	Centre for Entrepreneurship, SME and Local Development
DEG	Deutsche Investitions- und Entwicklungsgesellschaft (German Investment and Development Corporation)
DIHK	Deutsche Industrie- und Handelskammertag (Association of German Chambers of Industry and Commerce)
EBRD	European Bank for Reconstruction and Development
EH	Euler Hermes
EU	European Union

FDI	Foreign Direct Investment
FTIP	Foreign Trade and Investment Promotion
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GTAI	German Trade and Invest
HWK	Handwerkskammer (Trade Cooperation)
IBV	Industry-Based View
IHK	Industrie- und Handelskammern (Chambers of Industry and Commerce)
IfM	Institute für Mittelstandsforschung (Institute for SME Research)
iXPOS	Das Außenwirtschaftsportal (The Foreign Trade Portal)
	KfW Bankengruppe KfW – Bank Group
L-Bank	Staatsbank für Baden-Württemberg (State Bank for Baden-Wuerttemberg)
MBV	Market-Based View
MNE	Multinational Enterprise
NAFTA	North American Free Trade Agreement
OECD	Organisation for Economic Co-operation and Development
PwC	PricewaterhouseCoopers
RBV	Resource-Based View
RKW	RKW Baden-Wuerttemberg
SME	Small and Medium-Sized Enterprise
TCE	Transaction Cost Economic Theory
TSO	Third Sector Organisation
UK	United Kingdom

UN	United Nations
USA	United States of America
WTO	World Trade Organisation
wwib	Wirtschaftsverband Industrieller Unternehmen Baden e.V. (Business Association of Industrial Enterprises Baden e.V.)

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Declaration

I declare that the work contained in this thesis has not been submitted for any other award and that it is all my own work. I also confirm that this work fully acknowledges opinions, ideas and contributions from the work of others.

Any ethical clearance for the research presented in this thesis has been approved. Approval has been sought and granted by the Research Ethics Committee of Northumbria University at Newcastle on 22.10.2018.

I declare that the word count of this thesis is 86,934 words.

Name: Michael Stopfkuchen

Signature:

Date: 31.01.2021

1 General Introduction

This chapter introduces in the background of government network support of SMEs and why it is a relevant topic in international business literature. The concrete design of this work is manifested in the explicit research question, the sub-research questions, the underlying study method and the delimitations. The discussion of the problem further underlines how this study relates to previous studies in the field of the governmental environment and shows in which areas SMEs can be supported in their internationalisation activities. The structure of this study is presented at the end of this opening chapter.

1.1 Introduction

SMEs are an important driver of economic growth as well as crucial for successful economies. In various developed countries such as Germany, SMEs act as strong partners for large enterprises, but are frequently also world market leaders in their market segment thanks to their highly innovative products (BMW, n.d.b). Furthermore, SMEs are the driving force behind innovation and technology orientated products and services. From an economic point of view, export-oriented economies like Germany benefit from more effective use of resources, economies of scale and a stronger position in global competition through more innovation, knowledge transfer and specialisation (Klasen, 2012).

International business activities, among other aspects, play a significant role in the economic development of the enterprises. These international activities are important to assert in the global competition and to increase the market share. Undisputed, SMEs are faced with a number of challenges and uncertainties such as globalisation, economic crisis and political changes. They can lead to a barely bearable burden and thus to the discontinuation or non-performance of an activity (Klasen, 2020).

In addition, various barriers within the international activities, e.g. market and financial barriers, are a critical factor for the firm's success (Baum, Schwens, & Kabst, 2013). The barriers that hinder SMEs in internationalisation activities can be either internal or external. Internal barriers include difficulty in selecting reliable distributors, lack of

negotiating power, little understanding of target market and its challenges, poor organisation of exports department, inability to access information, short international experience, inability to achieve competitive advantage abroad as well as lack of capital and insufficient resources. In contrast, external barriers are e.g. lack of proper trade institutions, lack of incentives & protection from the government, political instability, legal and political problems, demand insufficiency and adaption problem of market entry (Paul, Parthasarathy, & Gupta, 2017). These barriers can be overcome by internal resources, but SMEs partially have insufficient resources due to their characteristics (Hollensen, 2014; Kalinic, Sarasvathy, & Forza, 2014; Knight, 2000).

As mentioned above, SMEs play a central role in the economy, so that there is government support to mitigate the barriers in certain cases (Stouraitis, Boonchoo, Mior Harun, & Kyritsis, 2017). For decades, various politicians, economists and managers discussed about the economic sense of governmental policy that influence foreign trade (Griffin & Pustay, 2015). Additional to discussions about local market protections against foreign competitors, the debate is about "whether a national government should directly help the country's domestic firms increase their foreign sales through export subsidies, government-to government negotiations, and guaranteed loan programs" (Griffin & Pustay, 2015, p. 262). Despite the traditional free trade approach by Adam Smith, several policymakers and managers suggest that government intervention is partially necessary to support domestic firms in cases such as national defence, infant industry support and maintenance of jobs.

In the past, government support has played a central role for internationally active SMEs (European Commission, 2014a; Hollensen, 2014; Stouraitis et al., 2017). The instruments and incentives offered by governments therefore comprise a variety of economic policy measures (Abou-Stait, 2005). For example, in the event of market failure, governments close information and financing gaps for internationally active enterprises or reduce further risks from foreign business. However, it must also be considered that 'bad' government support can even increase the uncertainty of SMEs international activities (Liesch, Welch, & Buckley, 2011).

1.2 Reasons for Conducting Research

As already outlined in the introduction, various international business literature has proven that government support is of great importance to ensure the international competitiveness of SMEs. There are also frequent discussions about how exactly various government funding instruments are suitable for having a positive effect on internationalisation. However, an examination of literature has shown that there are still unexplored areas that could be closed with new knowledge through further research.

Generally, this study investigated a deep understanding of SMEs perspective regarding the use of a variety of economic promotion programmes provided by government organisations for their internationalisation process.

This fundamental question was derived from various research approaches and is based on research gaps that have emerged from previous research. The review of the government support instruments for internationalisation offered so far has shown that there are fundamentally different studies and theories on the role of single programmes as export credit agencies, market analyses, loans or funds, but there are still unexplained research areas relating to the use of support instruments by SMEs (Audretsch, 2004; Durmuşoğlu, Apfelthaler, Nayir, Alvarez, & Mughan, 2012; Freixanet, 2012; Griffin & Pustay, 2015; Hayakawa, Lee, & Park, 2014; M. W. Peng, 2016; Volpe Martincus & Carballo, 2012; Wang, Hong, Kafouros, & Wright, 2012). Due to the fact that there is a multitude of support instruments, which are also offered by different governmental organisations, the question arose to what extent these governmental organisations are interconnected and how a coherent construct of government support could support SMEs in internationalisation. The European Economic and Social Committee (2017, p. 11) notes in a recent study that there is lack of a "lack of a tailor-made approach in SME support schemes for internationalization".

In the course of dealing with a comprehensive support system, the inclusion of network theory was obvious, as various studies have already shown that network relationships generally have a positive impact on the international activities (Coviello & Mcauley, 1999; Malhotra, Agarwal, & Ulgado, 2003). Within network theory, however, it has been shown that while there is in principle a specific form of institutional network theory that deals with actors within the institutional environment, there is no isolated consideration

of a government network perspective that focuses only on organisations that are directly connected to the government (Oparaocha & Ricardo, 2011). Addressing a government support network to promote internationalisation thus contributes to validating the knowledge about a government perspective within network theory.

In principle, further discussions in the literature revealed specific research gaps within government support, particularly in relation to a comprehensive support network.

First, on the basis of various literature, it became clear that the enterprise perspective was underrepresented, especially in the previous research on government support for the various internationalisation activities of SMEs (Dixit, 2000; Torkkeli, Kuivalainen, Saarenketo, & Puumalainen, 2019). In addition to the government perspective used so far to develop government support and anchor it in theory, the focus on the enterprise's point of view offers the advantage of incorporating the specific needs of SMEs, which differ significantly from larger enterprises (Frynas & Mellahi, 2015; Leonidou, 2004).

Second, discussions have shown that the interaction between enterprises and governmental organisations in governmental support takes place in four phases (awareness, initiation, agreement and use). However, the literature showed that the need for interaction and support from the government agencies for SMEs across the four phases has not been fully explored (Kranzusch & Holz, 2013; Seringhaus & Rosson, 1990). It became apparent that in order to provide adequate support, it is necessary to generate more knowledge about the intensity of needs.

Third, the international business literature on government support in the context of various internationalisation activities raises the issue that there is no comprehensive and tailor-made government support network that includes different elements, instruments and relevant factors (Child & Hsieh, 2014). Although there is a first draft from the state's perspective, this approach also indicates that new research from the enterprise's point of view would generate significant added value and knowledge (Meyer & Klasen, 2013).

In addressing the highlighted knowledge gaps, this research provides deeper insights on the comprehensive government support for SME internationalisation, thereby contributing to the network theory literature. For answering this identified research gaps, the following section provides a brief abstract of the research question and the associated sub-research questions.

1.3 Research Question

As a contribution to the existing theoretical knowledge and in order to close the research gap highlighted in the previous section, the in-depth study was intended to develop a theoretical framework for the promotion of international activities of German SMEs. Based on more elaborated arguments, the detailed derivation of the research question and the sub-research questions is anchored in chapter 2.4.5, which deals in detail with the development of the research question on the basis of the gaps in the literature.

The research question examined in this study was:

How can German SMEs use a variety of economic promotion programmes provided by government organisations to foster internationalisation?

The following sub questions were designed to answer the main research question:

- What are SMEs' experiences regarding FTIP instruments during the interaction process with the government organisations in the context of internationalisation? To what extent did the experiences have an impact on the various phases of the interaction process?
- Are there key instruments for improving existing FTIP instruments and how could a comprehensive and modular government support network play a crucial role here for a more intelligent and easy use by internationally active SMEs?
- Which factors affect SMEs' use of a comprehensive government support network that foster internationalisation? Why are these factors critical for SMEs' use of FTIP instruments offered by government organisations?

1.4 Research Method

The research work was guided by the underlying research methodology and related philosophical assumptions. The philosophical worldview pragmatism shaped the study, which is very closely linked to the personal worldview of the author. As a pragmatist, the researcher followed the approach that research is completely focused on the research question in order to solve the research problem in the best possible way (Creswell, 2014; Morgan, 2007; Patton, 2009). It did not matter which research method was used or which

theory is used as a basis, the focus of a mixed method approach was solely on the research problem (Cherryholmes, 1992). According to this, the pragmatism enabled the possibility of a mixed method approach a joint application of a qualitative and quantitative approach (Bryman & Bell, 2015; Teddlie & Tashakkori, 2009).

Therefore, the mixed method approach was used to clarify how SMEs can easily and fully benefit from a government support network for their internationalisation. The author believes that this mixed method approach was the right path to develop appropriate methods to solve the problems of SMEs. To understand SMEs view for a comprehensive and easy government supporting framework, a quantitative (postpositivism stance) as well as a qualitative (constructivism stance) approach in combination led to a better understanding. In particular, the mixed method design (pragmatic stance) provided the opportunity to focus research on the qualitative research area. This was of great importance in order to find out how SMEs can make better use of the offered support instruments. Furthermore, the research question implied that external influences such as political aspects also had to be taken into account. The chosen pragmatic approach made this possible through its flexibility (Cherryholmes, 1992).

This mixed method approach consisted of two parts, a preliminary and a main study. Basically, the aim of the preliminary study was to set the basis for the main study, but also to provide independent findings for the meta-inference discussion. The preliminary study consisted of a quantitative web survey with 665 participants and an online content analysis of the central funding database in the form of a usability testing. The main study was carried out as a case study, in which a total of eight cases were included. Both the pilot study and the further cases, which focused on semi-structured interviews, were evaluated using thematic analysis as a data analysis technique for the interviews. The sampling of participants for both the quantitative web survey and the qualitative case study research was based on the same criteria. The focus was on German SMEs that are active in the manufacturing sector and have at least export activities.

1.5 Research Structure

The structure of the research (see figure 1) is divided into five chapters, whereby chapter one contains the general introduction and key facts of the research. After a brief examination of the prevailing literature and the associated initial situation of the research topic, the research question of the present research is explained. The chapter is followed by a summary of the research methodology and a description of the structure of the research.

Chapter two contains the detailed literature review about the relevant knowledge in the past, which forms the theoretical basis of the entire thesis. Within the literature review, the relevant research gaps are derived and described in detail. Relevant knowledge is discussed in the three main topics: Internationalisation of SMEs, theoretical models for SME internationalisation within the institutional environment as well as the use of government support by SMEs for their internationalisation.

To establish an appropriate methodology for research, chapter three provides an overview of the prevailing methodology, research design as well the applied methods underlying the research. The chapter examines first the philosophical assumptions in general and then, based on this, derives the concrete philosophical worldview of the researcher. Second, it addresses the chosen research design as well as the applied research methods. Additional comments on accompanied factors, ethical considerations and research limitations complete the third chapter.

Chapter four provides the findings and discussion section of the study. This chapter begins with a brief introduction to the German state funding system and an explanation of the main actors within the decentralised funding system. In the following, the results of the two studies of the preliminary study are presented and possible implications for the further investigation are derived. The findings of the main study are also presented. Finally, an overall analysis of all findings about an easily and comprehensively use of government network support is made, combined with a critical discussion of the results with regard to the theoretical foundations from the literature chapter.

The study concludes with a final overall summary, which also includes the elaboration of the theoretical contribution regarding SMEs use of a government support network as well as implications for further research, which could be derived from this study.

Figure 1: Research Structure

Chapter 1: General Introduction



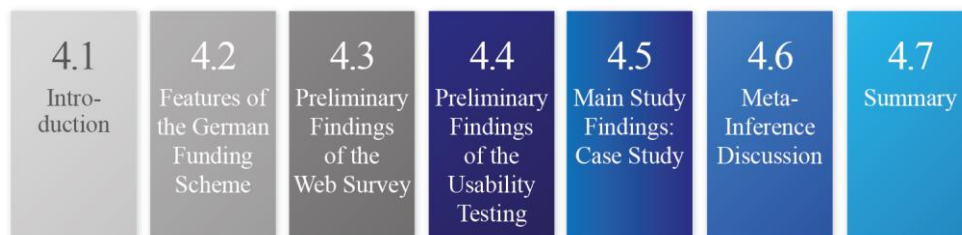
Chapter 2: Literature Review



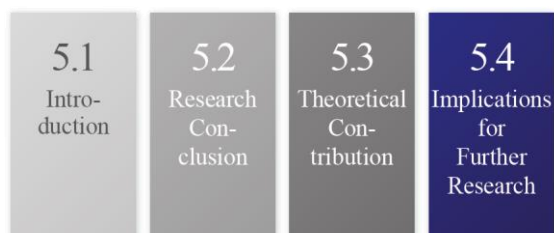
Chapter 3: Methodology, Research Design and Research Methods



Chapter 4: Findings and Discussion



Chapter 5: Conclusion, Contribution and Implications



1.6 Summary

This chapter contained the basics of this research and gives an overview of the process. The focus was on the reasons for the research, the research question itself as well as the chosen methodology approach. Chapter two, which follows, explains the theoretical foundations of SME internationalisation and government support that have been the basis for the identified research gap.

2 Literature Review

2.1 Introduction

This chapter provides an overview of previous research by various researchers on the internationalisation of SMEs in the context of government support. In particular three main topics are discussed and reviewed within the international business literature: First, the internationalisation of SMEs that involves not only fundamentals of SME internationalisation but also the general fundamentals of SMEs including their importance for the economy. Second, the introduction of the relevant theoretical models for SME internationalisation within the institutional environment. It also involves investing in the striving for a government network perspective. Third, a detailed review about government support and the use by SMEs for their internationalisation. Derived from this, the chapter ends with the research question and the presentation of the highlighted knowledge gaps.

2.2 Internationalisation of SMEs

The internationalisation of SMEs is an essential part of business activities and contributes significantly to the success of the company and thus directly to the success of the economy. The fundamental characteristics of SMEs naturally play a major role in this. However, they also have negative effects that are additional to the general barriers and risks. The process of internationalisation is a widely researched area within international business literature. This process indicates also what internationalisation means and the extent of internationalisation in business activities.

2.2.1 General Fundamentals of SMEs

Worldwide there exists no unified definition of the term SME. There are attempts to establish generally valid definitions but the applicable definitions differ among various countries (Berisha & Pula, 2015).

The Organisation for Economic Co-operation and Development (OECD) and the Centre for Entrepreneurship, SME and Local Development (CFE) adopt the latest definition from

the European Union (EU), which is valid since 1st January 2005 (European Commission, 2015b; OECD, 2005). The EU determines SMEs on the factors ‘staff headcount’ and ‘either turnover or balance sheet total’. In practical terms, a SME is an enterprise that has fewer than 250 employees and either a turnover less than € 50 million or a balance sheet in total less than € 43 million. Moreover, the resources ‘ownership, partnerships, linkages’ of the enterprise should be taken into account, if the enterprise is e.g. a subsidiary of a larger enterprise. Although the EU uses this definition for statistical analysis and the allocation of support, member states are not forced to apply this definition for the domestic market. (European Commission, 2015b; Peng, 2016).

Despite this recommendation from the EU and the OECD, the definition among the countries vary widely. In the United States of America the definition of SMEs vary by the industry. Generally enterprises with fewer than 500 employees are defined as SMEs, however within some industries enterprises are classified as an SME with up to 1500 employees (Burns, 2016; Hatten, 2009; Peng, 2016). One further example for this uneven definition standard is the United Kingdom (UK). Within the UK the classification can vary as well. Either the turnover of £25 million is the maximum value or 250 employees or a combination of both (House of Commons Treasury Committee, 2015). In Germany, however, there exists a further definition for SMEs. The Institut für Mittelstandsforschung (IfM - Institute for SME Research) defines an enterprise as a SME, if it has up to 500 employees and a turnover per year of fewer than € 50 million (Institut für Mittelstandsforschung Bonn, 2017b). Additionally in Germany the term ‘Mittelstand’ is well known, however ‘Mittelstand’ and SME are no synonyms although most of the German SMEs fulfil the qualitative criteria of the ‘Mittelstand’, which is defined by the Institut für Mittelstandsforschung Bonn (2017a):

- “up to two natural persons or their family members (directly or indirectly) hold at least 50% of the company shares and
- these natural persons also belong to the management of the enterprise”

However this definition means that even enterprises with more than 500 employees and more than € 500 million turnover per year are classified as ‘Mittelstand’ and this is the contradiction to the definition of German SMEs (Institut für Mittelstandsforschung Bonn, 2017a).

Most of the various definitions have in common, that they use further subdivisions in micro, small and medium-sized enterprises for statistical analyses in detail (Burns, 2016; European Commission, 2015b; Institut für Mittelstandsforschung Bonn, 2017a).

Sum up, this discussion has shown that various definitions are valid. Although German SMEs were considered in the case studies, the SME definition of the IfM was not applied, but the definition of the European Commission to ensure harmonisation with most of the other countries worldwide.

In addition to this numerical definition, there are specific characteristics that distinguish SMEs in general and in internationalisation from large enterprises (Berisha & Pula, 2015). These specific characteristics are described as follows.

2.2.1.1 Characteristics of SMEs

For understanding the specificities of SMEs both in general and the need for governmental support in the internationalisation, it is essential using fundamental non-qualitative criteria to point out the essence of a SME (Berisha & Pula, 2015; Stokes & Wilson, 2010).

Stokes and Wilson (2010, p. 5) mention that “small firms may be difficult to define precisely on paper, but most are easy to recognize once they are seen in operation”. To demonstrate the essence of a SME, researchers usually use the differences between SMEs and MNEs (Berisha & Pula, 2015; Karmel & Bryon, 2002; Mugler, 2008; O'Dwyer, 2009; Pfohl et al., 2013; Stokes & Wilson, 2010; Wynarczyk, Storey, Keasey, Watson, & Short, 1993).

Wynarczyk et al. (1993) determine uncertainty, innovation and evolution as the main distinguishing features in favour of SMEs. However, this approach is criticised that larger enterprises are also faced with these challenges (Stokes & Wilson, 2010). A further approach is to show the differences with various fundamental characteristics. Table 1 consists a selection of characteristics, classified in six categories: Management, Organisation, Sales, Research & Development, Finance and Human Resources.

Table 1: Characteristics of SMEs and MNEs

Categories	SME	MNE
Management	<ul style="list-style-type: none"> • Proprietor-Entrepreneurship • Lack of Strategic Planning 	<ul style="list-style-type: none"> • Manager-Entrepreneurship • Elaborate Strategic Planning
Organisation	<ul style="list-style-type: none"> • Less Complex Structure • Quick Reaction to Environment Change 	<ul style="list-style-type: none"> • Highly Complex Structure • Slow Reaction to Environment Change
Sales	<ul style="list-style-type: none"> • Small Market Segment • Low Market Power 	<ul style="list-style-type: none"> • Large Market Segment • Powerful Market Position
Research & Development	<ul style="list-style-type: none"> • Following the Market, Intuitive Approach • No Specialised Assets 	<ul style="list-style-type: none"> • Institutionalised • Specialised Assets
Finance	<ul style="list-style-type: none"> • Financial Constraints (Family Funds, Self-Financing) • Lack of Funds for Future Invests 	<ul style="list-style-type: none"> • Strong Access to Anonymous Capital Market • Easily Access to Financial Support for Invests
Human Resources	<ul style="list-style-type: none"> • Less Employees • All-Around Knowledge 	<ul style="list-style-type: none"> • Much Employees • Specialisation

Source: Adapted from Beck and Demircuc-Kunt (2006); Berisha and Pula (2015); Dickson, Weaver, and Hoy (2006); Hollensen (2014); Karmel and Bryon (2002); Mugler (2008); O'Dwyer (2009); Pfohl et al. (2013); Stokes and Wilson (2010).

The different characteristics illustrate the difference between SMEs and MNEs accurately. The owner of a SME has a central role in the decision making process, but the planning is more tactical than strategic and has a short range planning horizon (Faulkner & Johnson, 1996; Towers & Burnes, 2008).

Comparing the organisational structure there are significant differences because of the less complex structure and the opportunity to react quickly by changes of the environment conditions. This enables the SMEs to modify their processes, products and services quicker than MNEs (Aragón-Sánchez & Sánchez-Marín, 2005; Karmel & Bryon, 2002; Mugler, 2008).

Additionally SMEs operate in a smaller market segment and have partially a lower market power (Hill, 2001; Stokes & Wilson, 2010). A low market share exists not always, particularly in highly- specialised niches SMEs reach a powerful market position (Stokes & Wilson, 2010). This specific characteristic is a strong sign for a ‘hidden champion’. Germany is renowned worldwide for their successful hidden champions that are usual global market leaders in their market segment and have to go international (Balas Rant & Korenjak Cerne, 2017; Simon, 1996).

For SMEs, research and development is more an intuitive approach than institutionalised and they have not specialised assets to push the research and development in products and machines as larger enterprises (Dickson et al., 2006).

Moreover, SMEs lack of funds for future invests and have several financial constraints, due to the shareholder structure (e.g. family funds, self-financing) and their limited access to the anonymous capital market (Beck & Demirguc-Kunt, 2006; Pfohl et al., 2013). SMEs are also less familiar with the available bank products and services in comparison to larger enterprises (Brace, 2015).

Human Resources of SMEs is characterised not only by less employees but also by a different knowledge of their employees. SMEs employees have a stronger all-around knowledge than employees of MNEs (Pfohl et al., 2013; Stokes & Wilson, 2010). This non-specialisation could be one reason for the above mentioned less familiarity with available bank products.

In summary, it can be said that there are fundamental differences between SMEs and MNEs, each of which requires individual consideration. These differences between SMEs and MNEs are also clearly reflected in different internationalisation behaviour and different internationalisation activities (Agndal, 2004; Knight, 2000). Before discussing the characteristics of SMEs in relation to internationalisation in detail, the importance of SMEs for the economy is considered.

2.2.1.2 Importance of SMEs for Economies

In general, SMEs are indeed the key driver for competition, growth and job creation in economies. In short: The backbone of the world economy. This applies both for developed and developing countries (Audretsch, 2004; Burns, 2016; Demirbag, Tatoglu, Tekinkus,

& Zaim, 2006; Salaheldin, 2009). For instance, high flexibility for changing customer needs, innovative thinking, ingenuity, flat hierarchies, generating employment with minimum costs and decisiveness are some abilities, which make SMEs to strong drivers of the economy growth (Audretsch, 2004; Fischer & Stahl, 2016; Klasen, 2012; Salaheldin, 2009).

The Bolton Report (1971) - issued for the UK House of Commons and with the objective to analyse the situation of SMEs in the UK - contains eight crucial roles that explain the importance of SMEs for the economy:

- A productive outlet for enterprising and independent individuals (some of whom may be frustrated under-achievers in a larger, more controlled environment;
- The most efficient form of business organization in some industries or markets where the optimum size of the production unit or sales outlets is small;
- Specialist suppliers, or subcontractors to larger companies;
- Contributors to the variety of products and services made available to customers in specialized markets, too small for larger companies to consider worthwhile;
- Competition to the monopolistic tendencies of large companies;
- Innovators of new products, services and processes;
- The breeding ground for new industries; and
- The seedbed from which tomorrow's larger companies will grow, providing entry points for entrepreneurial talent who will become the industrial captains of the future.

This crucial role of creating employment, economic growth and social wellbeing by SMEs is not a new knowledge, because the importance of SMEs for the economy goes back to the 19th and 20th century (Stokes & Wilson, 2010). Already 1920, SMEs with less than 200 employees were the basic economic unit in the UK by generating 45% of the employment. In the following decades the employment rate of SMEs declined worldwide, in the UK for example up to 30% in the early 1970s (Storey, 1998).

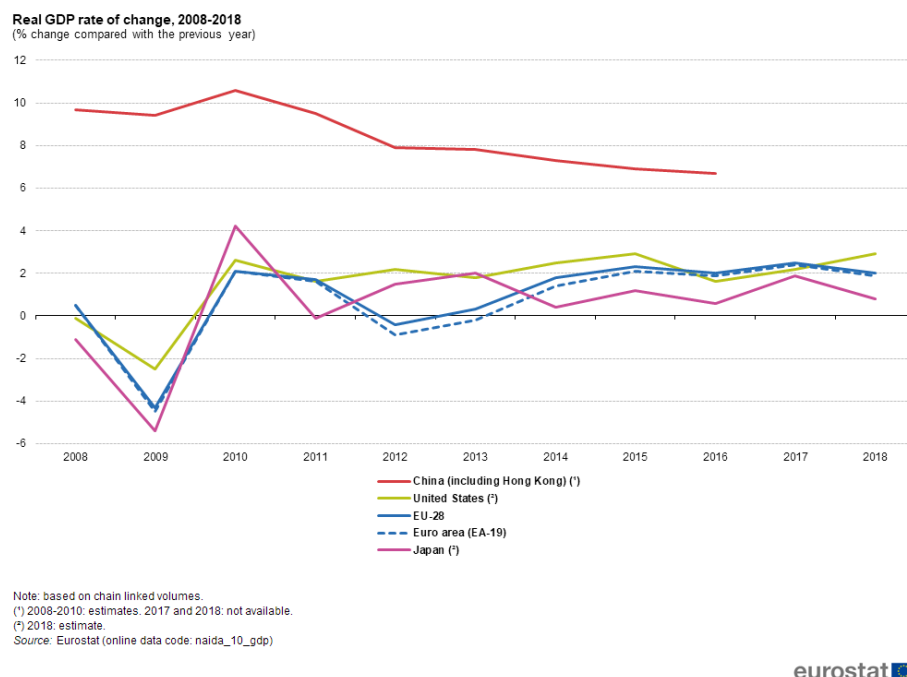
However, research findings conclude that as of the late 1970s SMEs got once more a higher importance for the economy. In particular, in the United States (USA) SMEs created 40 million new jobs between 1965 and 1985 to an total workforce of 106 million employees in 1985 (Drucker, 2012; Stokes & Wilson, 2010). The starting date of the

turnaround differs from country to country and a comparison is due to different data sets and definitions difficult, but Sengenberger, Lovenman, and Priore (1990) mention in their research that small firms in France, Germany, Italy, Japan, UK and USA with less than 100 employees enhanced their share of total employment and prove the turnaround.

Already since the early 1990s, SMEs have been accountable for over 50% of the employment and created growth in various developed and developing countries (Burns, 2016; Demirbag et al., 2006; Drucker, 2012; Greene & Mole, 2006; Stokes & Wilson, 2010).

This positive trend is continuing, even if the world economic crisis in 2009 hit SMEs as well as MNEs. Resultant unemployment and less investments were short-term consequences and recovery is still ongoing (OECD, 2017). Figure 2 shows the recovery of the gross domestic product (GDP) for different economic areas and countries.

Figure 2: Real GDP Rate of Change, 2008-2018



Source: Eurostat (2020).

Recent research findings conclude that SMEs are further a significant success factor in most of the developed countries as USA or the EU member states (Al Barwani, Al Jahwari, Al Saidi, & Al Mahrouqi, 2014). SMEs within the OECD area “account for 60%

of total employment and generate 50% of value added on average” (OECD, 2017). Looking at the EU28 economy, approximately 23 million SMEs generated € 3.9 trillion in value added and employ 90 million people in 2015. Additionally, European SMEs (non-financial business sector) account for 67% of total economy employees and 57% of value added (European Commission, 2016). In particular, Germany is well-known for their ‘Mittelstand’: “Germany’s 3.7 million SME represent more than 99% of all businesses, produce roughly 40% of taxable turnover and account for approximately 50% of total net value added by companies (Meyer & Klasen, 2013, p. 6).

In addition, economies in developing countries have also a significant share of SMEs and this is an ongoing trend (Al Barwani et al., 2014; Demirbag et al., 2006; Pauceanu, 2016). Asian SMEs accounted between 2007 and 2012 for 98% of total enterprises, 66% of employment and produced 38% of GDP (Burns, 2016). In Gulf countries as Sultanate of Oman SMEs represented 90% of all businesses in 2015 (Oxford Business Group, 2016; Pauceanu, 2016). Indeed in case of Oman it is worth to mention that the SMEs produced just 18% of the gross domestic product (GDP). This resulted from the high dependence on hydrocarbon (approximately 50% of the GDP), which is the main driver of the Omani economy.

2.2.1.3 Importance of SME Internationalisation for Economies

The previous chapter has shown the crucial role of SMEs for economies both for developed and developing countries worldwide in general. What role does SMEs internationalisation play for the economy and does it also have a positive impact?

In general, internationalisation is a very common field of research and many researchers have been and are still engaged with the topic of international business research. There is no generally accepted definition available for the term internationalisation, but there are various definitions that point in a similar direction and allow a definition in its entirety. Peng (2016, p. 4) states that “international business (IB) is defined as a business (firm) that engages in international (cross border) economic activities”. Similarly and more general, Welch and Luostarinen (1988, p. 36) define internationalisation as “the process of increasing involvement in international operations”.

The definition by Lehtinen and Penttinen (1999, p. 13) adds some crucial factors and explained the term more in detail:

"Internationalization of a firm concerns the relationships between the firm and its international environment, derives its origin from the development and utilization process of the personnel's cognitive and attitudinal readiness and is concretely manifested in the development and utilization process of different international activities, primarily inward, outward and cooperative operations".

Reviewing this definition, there are some complementary elements which are particularly relevant to studies within the institutional network theory research. Mainly, the inclusion of relationships and interactions between various internal and external actors, which strengthens the idea of networking within the internationalisation (Oparaocha, 2015). Another aspect that is explicitly introduced is that internationalisation consists of various ways, inward (e.g. imports), outward (e.g. exports) and cooperative international activities (Oparaocha, 2015; Ruzzier, Hisrich, & Antoncic, 2006; Welch & Luostarinen, 1988; Welch & Luostarinen, 1993). For this study, only outward activities are considered, even if there are government support measures in the inward sector as well. At this point, for further differentiation, it should also be clarified once again that there is a fundamental difference to the concept of globalisation, that refer to the international connectivity of markets and the interdependence of national economies strongly affecting all SME activities (Ruigrok, 2000).

In order to gain a better understanding of the importance of SME internationalisation for the economy, it is helpful to look back at the history. Research studies, which are partially influenced by the upcoming UPPSALA model, conclude that with the general increasing importance of SMEs in the late 1970 also the internationalisation of SMEs became more and more important (Bell, 1995; Knight, 2001). Beside the domestic market, internationalisation and international activities are an increasingly important factor for SMEs to increase growth, innovation, productivity, profitability as well economic and social renewal (Cerrato & Piva, 2012; European Commission, 2014a; Oparaocha, 2015).

Looking at statistical data of economic areas and countries validates the increasing importance of SME internationalisation for economies. Already in 2005, SMEs in the OECD area were responsible for approximately 30% of world-manufactured exports. Moreover, one-fifth of manufacturing SMEs generated between 10% and 40% of their turnover by exports (OECD, 2005).

Latest export data of the EU28 (excluding Czech Republic, Ireland, Luxembourg, Hungary, Malta and Slovenia) from 2014 and 2015 confirm the trend and show that approximately 40% of the exports are contributed by SMEs. Obviously, there are differences between the single countries, but generally the data show the high importance of SMEs. Additional 98% of all exporting firms (MNEs and SMEs) are SMEs within the EU28 (excluding Czech Republic, Ireland, Luxembourg, Hungary, Malta and Slovenia) (Eurostat, 2017).

Further data on country level confirmed the high importance of SME internationalisation. In Germany for example, German SMEs were able to increase their exports up to € 165 billion (+34%) between 1997 and 2004 (KfW Bankengruppe, 2007). Additional family-owned SMEs in Germany generated in 2015 33% of their turnover by export. Moreover, 20% of their turnover was generated by exports within the EU (Bundesverband der Deutschen Industrie e. V., 2016).

As a result, it is evident and confirmed that SMEs are an important driver for the increasing export rate (Gupta, 1989). However, SMEs success contribute not only to exports but also to international outward activities as foreign direct investments (FDI), joint ventures, licensing or strategic alliances (Ibeh, Borchert, & Wheeler, 2009). For the further study it was therefore necessary to include not only export activities but outward activities in their entirety.

Sum up and for answering the question whether SMEs have a positive impact, yes, SMEs play a significant role for the growth of economies and the future development. In particular, the outward internationalisation activities stabilise the economy and creates employment (J. W. Lu & Beamish, 2001; Ruzzier et al., 2006).

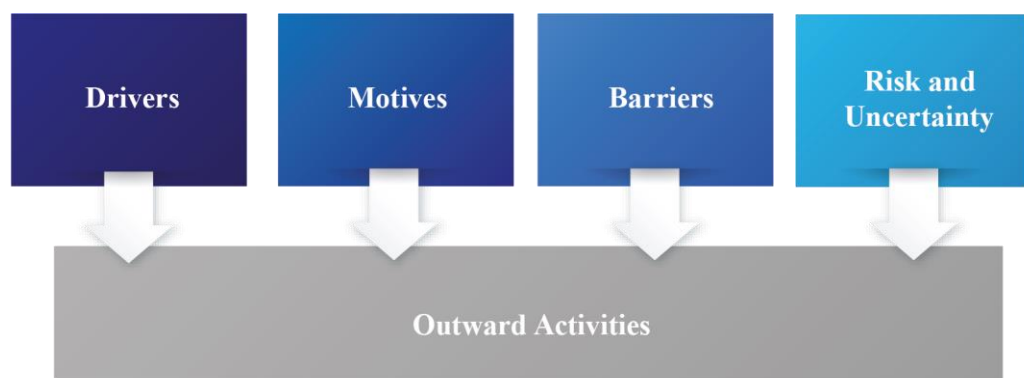
2.2.2 Fundamentals of SME Internationalisation

Internationalisation is a complex process that is dependent of various internal and external factors (Rundh, 2007). Firms "success is based on an effective match between the external relationships of the firm and its own distinctive capabilities" (Kay, 1995, p. 3). Moreover, Hamel and Prahalad (1996) note two crucial capabilities for firms success in internationalisation. First, they must be able to identify the changes of the determinants

in the international environment and second, they have to react to these changes quickly and appropriately.

The following chapters provide insight into previous research that has been done in the process of SME internationalisation. Figure 3 illustrates an overview of the crucial internal and external factors in the internationalisation that are reviewed and discussed. It should be noted that this schematic model is developed for the purpose of this study. Reviewing the theoretical literature there are different schematic model for the internationalisation available. The selected scheme based on identified key areas from books, journals and statistical data (Ibeh, 2012; Johnson, Whittington, Scholes, Angwin, & Regnér, 2017; Lasserre, 2012; Oberländer, 2014; Root, 1998; Simpson, Padmore, & Newman, 2012).

Figure 3: Internal and External Factors in Internationalisation



Source: Adapted from Ibeh (2012); Johnson et al. (2017); Lasserre (2012); Oberländer (2014); Root (1998) and Simpson et al. (2012).

2.2.2.1 Drivers of SME Internationalisation

General drivers that apply for enterprises can be divided into global environmental changes and firm level strategic imperatives (Griffin & Pustay, 2015). Global environmental changes are mainly characterised by two drivers during the last decades (Fernández-Ortiz & Lombardo, 2009; Griffin & Pustay, 2015; KfW Bankengruppe, 2007; Rugman, Collinson, & Narula, 2017; Ruzzier et al., 2006):

- Changes in the political environment: Main changes in the political environment are the reduction of foreign trade barriers (tariffs and quotas), foreign investment barriers

and the financial deregulation. In particular the General Agreement on Tariffs and Trade (GATT) instigated 1947 by the World Trade Organisation (WTO) and more recent past established agreements as the EU or North American Free and Trade Agreement (NAFTA) are measures that simplify international trade. Additional liberalisation of markets and opening up of markets as the fall of socialism in Russia are drivers of the globalisation.

- Changes in the technological environment: Changes in the technological environment as the improved telecommunication and transportation infrastructure are crucial for the tighter interconnection between international markets.

From the view of firms there are several basic driver for going international and developing worldwide international activities (Griffin & Pustay, 2015; Rugman et al., 2017):

- Leveraging core competencies: If a firm develop a core competency in the domestic market, the firm can transmit this core competency also in a foreign market. Consequently, the firm can use the unique selling proposition (USP) for increasing their revenues and profits abroad by economies of scale (Griffin & Pustay, 2015).
- Seeking resources and suppliers: The firm can get access to new resources as material, row material, labour, capital, services, innovations or technologies. Some resources, products and services are either not available or very limited in the home market (Griffin & Pustay, 2015).
- Seeking new markets: First, if the domestic market is mature, going international is an option to generate additional revenue and profit in a foreign market (Rugman et al., 2017). In particular for firms, that pursuit to become a hidden champion it is inevitable to go international (Schlepphorst, Schlömer-Laufen, & Holz, 2016; Svetličič, 2007). Second, by selling products and services to markets abroad, the firm can profit by positive economies of scale (Griffin & Pustay, 2015). Third, a new market reduces the dependent from one market and spread the sales on various countries. A Swedish SME study by Hilmersson (2014) confirms that SMEs should split the risks between countries to mitigate decline in sales and stay flexible in case of market crisis.

- Competing with rivals: Gong international can be the reaction to a market entrance of a competitor. A firm follow the competitor in a market abroad and prevents that the competitor get the chance to work a market alone (Griffin & Pustay, 2015).

In the specific context of SMEs, drivers for SME internationalisation is a popular research topic in the literature whereby the majority is set up on drivers in the context of exports. However, some articles refer to the term internationalisation without any distinction between the entry modes (non-equity or equity mode) (Apfelthaler, 2000; Faber, van Dijk, & van Rijnsoever, 2016; Felício, Meidutė, & Kyvik, 2016; Francioni, Pagano, & Castellani, 2016; Moraes & Da Rocha, 2014; Musteen, Datta, & Butts, 2014; Sass, 2012).

The literature review by Leonidou, Katsikeas, Palihawadana, and Spyropoulou (2007) includes 32 empirical studies from all over the world about the factors of export stimulation. They identified in their study 40 factors that drives the internationalisation, separated in internal/external and proactive/reactive. "Internal stimuli are associated with influences endogenous to the firm..., while external stimuli are derived from the environment within which the firm operates or intends to operate"(Leonidou et al., 2007, p. 737). In general Leonidou et al. (2007, p. 735) suggest that all 40 factors are crucial, but they identify key factors: "achieve extra sales, profits, and growth, utilise better idle production capacity, exploit a unique/patented product, avoid the threats of a saturated domestic market, reduce home market dependence, and respond to unsolicited orders from abroad".

Based on the study by Leonidou et al. (2007), Francioni et al. (2016) conducted a further empirical review, in which they elaborated four new categories (see table 2):

Table 2: Driver of SMEs Internationalisation

Driver	Topic
Human Resources	<ul style="list-style-type: none"> • Personality/Subjective Characteristics • Socio-Demographic Factors (Age, Gender, Nationality, Family Membership) • HR Management Procedures
R&D, Innovation and Productivity	<ul style="list-style-type: none"> • Process Innovation
Marketing/Sales Purchasing	<ul style="list-style-type: none"> • Internet/Web Marketing • Purchasing Experience
Network	<ul style="list-style-type: none"> • Personal Networks • Business Networks (Customers, Intermediaries)

Source: Adapted by Francioni et al. (2016).

Analysing the driver for foreign direct investments, Apfelthaler (2000) suggests in a qualitative study about Austrian SMEs that market demand/potential, tap into informal networks in host country, be close to both distributors and customers, develop a feeling for markets, acquire local technology and skilled labour, leverage core competencies, reputation winning and personal experience are the main driver. Interestingly, is that in comparison to Francioni et al. (2016) also the network and the personal experience is highlighted. Studies by Felício et al. (2016), Moraes and Da Rocha (2014) and Musteen et al. (2014) confirm the importance of networks, personal experience and subjective characteristics. Moreover, Faber et al. (2016) suggest in their study that a network in relation to research and development is a stimulus, because firms can use a network for knowledge sharing and cost sharing.

Felício et al. (2016) identify in their study about drivers for internationalisation similarities to MNEs: Reputation, get knowledge, acquire more information, explore market resources, contacts with suppliers are the important factors for initiating internationalisation. Fujita (1998) confirms the assumption that SMEs are pulled into foreign markets by supply chain partners. Furthermore, a study about 115 UK based SMEs confirm the importance of the web as an additional sales channel (Sinkovics & Sinkovics, 2013).

A large study by OECD (2009) about drivers for internationalisation includes a literature review of 15 studies in developed and developing countries. The findings validate the suggested drivers above: growth, resource seeking, management knowledge and experiences, network/social and supply chain ties, domestic market factors (OECD, 2009).

Sum up, it can be concluded that MNEs and SMEs are faced by similar drivers but the driver can vary based on the time, industry sector, firm size, country and region (developed/developing) (Buckley & Casson, 1998; Kranzusch & Holz, 2013; Leonidou et al., 2007; OECD, 2009; Svetličič, 2007, 2007; UK Trade and Investment, 2014).

2.2.2.2 Barriers to Internationalisation

Barriers to internationalisation are partially based on the specific characteristics of SMEs in particularly in comparison to MNEs (Oparaocha, 2015).

In short, "they do not have the financial muscle to 'buy' their way into new markets, or spend on customizing products and brands for local customers. They also lack the range of specialists to draw on to shape and implement market-entry strategies, such as legal experts or managers with experience of local cultures" (Rugman et al., 2017, p. 70).

Leonidou (1995a, p. 31) defines internationalisation barriers as "all those attitudinal, structural, operational, and other constraints that hinder the firm's ability to initiate, develop, or sustain international operations".

In general, applicable for both MNEs and SMEs there are four liabilities or difficulties that arise in internationalisation in comparison to the local competitors abroad (Frynas & Mellahi, 2015):

- Liability of foreignness: In foreign markets with different institutional environments, firms are faced with different norms and rules, culture, language, religion as well political, economic and legal systems that may influence their business abroad negative. In comparison to local firms, firms have to learn this norm and rules. This learning process binds resources and is a competitive disadvantage (Bell, Filatotchev, & Rasheed, 2011; Cuervo-Cazurra, Maloney, & Manrakhan, 2007; Frynas & Mellahi, 2015; Mezias, 2002; Peng, 2016; Volberda et al., 2011; Zaheer & Mosakowski, 1997).

- Liability of expansion: Firms are faced with difficulties because of the international expansion. An increase in international activities is partially connected with higher transportation, communication and coordination expense (Cuervo-Cazurra et al., 2007; Frynas & Mellahi, 2015; Hitt, Hoskisson, & Kim, 1997).
- Liability of smallness: Firms, in particular SMEs, are faced with lack of financial resources, foreign market data, human resources and negotiation power (Aldrich & Auster, 1986; Child, Rodrigues, & Frynas, 2009; Frynas & Mellahi, 2015).
- Liability of newness: Firms that are new in the domestic market are faced with difficulties because of lack of experience. Going international may intensify this lack (Freeman, Carroll, & Hannan, 1983; Frynas & Mellahi, 2015; Rabbiosi & Santangelo, 2013).

In the specific context of SMEs, there is an increasing number of studies that analyse (potential) barriers. Analogous to the discussion about the internationalisation drivers of SMEs, Leonidou (2004) conducted a literature review analysing 32 empirical studies. In total, 39 export barriers are identified, divided "into internal (incorporating informational, functional, and marketing) and external (comprising procedural, governmental, task, and environmental) barriers" (Leonidou, 2004, p. 279).

In general, the impact of the barriers depends on the specific situation and the circumstances of the management, organisation and environment. Nevertheless, Leonidou (2004) identifies 'limited information to locate/analyse markets', 'inability to contact overseas customers', 'identifying foreign business opportunities', 'difficulty in matching competitors' prices', 'excessive transportation/insurance costs', 'different foreign customer habits/attitudes', 'poor/deteriorating economic conditions abroad' and 'political instability in foreign markets' as the barriers with a huge impact.

It is discussable whether the barriers influence due to environmental effects such as the economic crises in 2009 or political changes in countries. A literature review by Paul et al. (2017) in table 3 provides more information about potential changes. It is noticeable that there are hardly any significant differences to the previous findings by Leonidou (2004).

Table 3: Internal and External Barriers

Internal	External
Difficulty in Selecting Reliable Distributors	Lack of Proper Trade Institutions
Lack of Negotiating Power	Lack of Incentives & Protection from the Government
Little Understanding of Target Market and Its Challenges	Political Instability
Poor Organisation of Exports Department	Legal and Political Problems
Inability to Access Information	Demand Insufficiency
Short International Experience	Adaption Problem of Market Entry
Inability to Achieve Competitive Advantage Abroad	
Lack of Capital and Insufficient Resources	

Source: Adapted by Paul et al. (2017).

Looking at a transnational study by OECD (2009) and several country specific studies by Kranzusch and Holz (2013), Team Finland (2013), Rahman, Uddin, and Lodorfos (2017), UK Trade and Investment (2014) and United States International Trade Commission (2010) it is evident that in general the above mentioned barriers are furthermore applicably, but that the barriers may differ from firm to firm as proposed by Leonidou (2004).

In a recent study, Bell and Cooper (2018) analyse, that regulatory-specific product knowledge is one of the most important barriers within institutional knowledge and can hinder the internationalisation.

Reviewing the findings, there is a large number of barriers that influence the internationalisation of SMEs. The implementation of a classification scheme helps to categorise the different barriers for better understanding. Classification schemes have been developed and discussed by various researchers (Cavusgil, 1984; Katsikeas & Morgan, 1994; Leonidou, 1995a, 1995b; F. H. R. Seringhaus & Rosson, 1991). Leonidou (1995a) combines his own approach with the framework of Cavusgil (1984) to a model with four categories: Internal-domestic, internal- foreign, external-domestic, external-foreign (Ibeh, 2012).

- Internal-domestic: Result from firms characteristic and relating to the domestic environment
- Internal-foreign: Emanate from firms characteristics and relating to the foreign environment
- External-domestic: Arise from domestic government and the firm cannot influence them
- External-foreign: Result from environmental circumstances in an international market

Sum up, various barriers hinder SMEs in their internationalisation and it is notable that there are hardly any differences whether an enterprise is only exporting or is using multiple outward activities Crick (2007).

2.2.2.3 Risk and Uncertainty in the Decision Making Process

Closely linked with barriers are risk and uncertainty that play an important role in the internationalisation decision process (Liesch et al., 2011). Several researchers note additionally that an effective decision-making is crucial for success in internationalisation (Katsikeas, Samiee, & Theodosiou, 2006; Nemkova, Souchon, Hughes, & Micevski, 2015; Sharfman & Dean Jr, 1997). Decision-making is here defined "as the method and logic that SME leaders employ to go about reaching a decision to internationalize, either initially or to expand the scope of their existing international business" (Child & Hsieh, 2014, p. 599). Firms "tend to overestimate the risks of international entry", when they have not experience or the appropriate information (Nakos & Brouthers, 2002, p. 50).

The decision about the outward activity is one of the key aspects in international marketing and the decision-making process (Lu, 2002). "The choice of international entry mode is a multifaceted decision involving the assessment of uncertainty and risk, control, commitment, estimated returns, and other strategic objectives" (Ahi, Baronchelli, Kuivalainen, & Piantoni, 2017, p. 3). This decision should be well-considered, inadequate internationalisation activities have a negative impact on the performance (Laufs & Schwens, 2014; Nakos & Brouthers, 2002).

Before discussing various outward activities in detail, the terms 'risk' and 'uncertainty' should be highlighted. Already 1992, Bonaccorsi suggested that the perception and

aversion of risk is crucial in the context of export behaviour. In modern success- and value-based management approach the consideration of chances, risks and uncertainty in the decision making process is usual and a crucial determinant (Gleißner, 2017; Müllner, 2016). Reviewing international business research, the terms risk and uncertainty are mostly used as synonyms. For instance, Eroglu (1992, p. 23) defines perceived risk “as the uncertainty an individual faced when he or she cannot foresee the consequences of their decision”. Although managers are aware of differences between risk and uncertainty, empirical research such as questionnaires do not consider the difference and the involved impact (Liesch et al., 2011).

However, Liesch et al. (2011) introduces a new approach based on the Knightian economic distinction between risk and uncertainty. This concept consider risk and uncertainty as different factors that coevolve in the internationalisation process. “Uncertainty must be taken in a sense radically distinct from the familiar notion of risk [...] It will appear that a measurable uncertainty, or ‘risk’ proper, as we shall use the term, is so far different from an unmeasurable one that it is not in effect an uncertainty at all” (Knight, 2009, pp. 19–20). In other words, true uncertainty is unmeasurable and incalculable, whereas risk is measurable. Measurable means that risk “has an unknown outcome, but we know what the underlying outcome distribution looks like” (Mauboussin, 2013, p. 36). Müllner (2016) additional notes that risks are based on sources, are price competitive and partially transferable to 3rd parties. In practice, firms and managers partial use the strategy uncertainty acclimatisation and risk accommodation.

“Uncertainty acclimatisation refers to the adaptations and responses, psychological and material, that individual entrepreneurs and firms make to the evolving perceived uncertainties of foreign operations, enabling them to operate within the constraining effects of doubtfulness and apprehension that ensue from the sense of the unknown” (Liesch et al., 2011, p. 864).

Collecting knowledge, based on experiences can help to overcome the uncertainty (Liesch et al., 2011). Whereas risk accommodation refer to activities such as risk management, risk diversification, risk mitigating and coping mechanisms that enable them to start or continue internationalisation (Liesch et al., 2011; Müllner, 2016). Summarising this new approach it can be concluded that uncertainty and risk are two different factors, but they are interconnected in their outcome (Liesch et al., 2011).

Theoretical literature contains various risks that occur in the internationalisation process (Deresky, 2014; Frynas & Mellahi, 2015; Hollensen, 2014; Rugman et al., 2017).

Table 4: Risk and Uncertainty

Category	Type of Risk and Uncertainty
Commercial Risks	<ul style="list-style-type: none"> • Exchange Risk • Transport and Storage Risk • Credit Risk • Inflation Risk
Political and Legal Risks	<ul style="list-style-type: none"> • Trade Barriers • Expropriation Risk • Capital Transfer Risk • Limited Legal Certainty and Administrative Risks • Security Risks • Risk of Corruption • Tax Risks
Market Risks	<ul style="list-style-type: none"> • Qualitative Market Risk • Quantitative Market Risk • Competitive Risk • Local Market Risk • Temporal Market Risk

Source: Adapted by Sternad, Höfferer, and Haber (2013).

Reviewing the listed risks above in table 4 and compared with the barriers from the previous chapter it can be concluded that there are similarities. Liesch et al. (2011) confirm this aspect too, because they refer in the context of risks in the internationalisation process on an article by Leonidou (1995a) about export barriers.

More data strengthen the results of the previously mentioned researchers. Two studies launched by UK Trade and Investment (2014) and Kranzusch and Holz (2013), confirm that there are crucial risks for entering foreign markets. By investigating 901 firms from UK, UK Trade and Investment (2014) finds that two-thirds of the firms are fully aware of these risks and as a result the firms postpone or cancel their internationalisation activities. Interestingly is that in particular ‘not being paid in full or on time’ and ‘political or economic instability in that country’ are the most significant risks for entering foreign markets (UK Trade and Investment, 2014).

In addition, Kranzusch and Holz (2013) investigate German SMEs about their perceived risks. In general, they identify similar risks. Interestingly is that there are significant

differences relating to the target market for German SMEs. ‘Insufficient legal certainty’, ‘corruption and unfair competitive’, ‘political risks in target market’ and ‘risk of payment default’, are the most important risks for entering emerging countries. Especially noticeable is the gradually increase from the German home market to the EU/OECD countries and to the emerging countries. Additionally, some factors as ‘unfavourable price and wage development’ and ‘inaccurate appraisal of market opportunities’ are lower for emerging countries than for EU/OECD countries.

2.2.2.4 Outward Activities of SMEs

SMEs have a wide range of activities at their disposal to start or expand international business (Deresky, 2014; Doole & Lowe, 2008; Frynas & Mellahi, 2015; Griffin & Pustay, 2015; Johnson et al., 2017; Rugman et al., 2017; Volberda et al., 2011). Burns (2016) as well as Frynas and Mellahi (2015) group outward activities in exporting, contractual agreements, joint ventures and wholly owned subsidiaries.

Export

“Exporting is the action by a firm of sending produced goods and services from the home country to other countries” (Frynas & Mellahi, 2015, p. 166). Export provides a quick and cost-effective way to increase the sales and apply the economies of scale (Frynas & Mellahi, 2015; Rugman et al., 2017). Firms have the choice between indirect and direct exporting. Indirect exporting means that firms sell their products and services to local agents or distributors that are based in the domestic market. These agents or distributors export the products and services at one's own charge and risk to customers abroad. Disadvantages are the low control about marketing and sales and that there is no direct customer contact to gain new knowledge (Griffin & Pustay, 2015; Rugman et al., 2017). Direct exporting is selling the products and services to an importer (agents/distributors, own branches/subsidiaries abroad or end-user). In comparison to indirect exporting, there is a higher commitment and risk but generally, it is an easy way to go international. Additionally, the firm may face liability of foreignness, higher costs and the need for customer requirements. However, direct export provides positive aspects as higher involvement in the process and gaining experiential knowledge of foreign markets and customer requirements (Rugman et al., 2017). This new knowledge is helpful for further international activities (Griffin & Pustay, 2015). The firm benefits most when they sell

through own branches and subsidiaries or direct to the end-user. However, own branches and subsidiaries provides higher risk and costs as agents and distributors.

Contractual Agreements

Contractual agreements as licensing and franchising are two similar modes. Licensing is more common in the manufacturer area and means that “one firm (the licensor) provides access to some of its proprietary assets, such as patents, trademarks, or technology, to another firm (the licensee), in exchange for a fee or royalty” (Rugman et al., 2017, p. 63). Franchising very similar but more common in service industries (Griffin & Pustay, 2015; Rugman et al., 2017). Both licensing and franchising are very easy ways to go global and has a very low commitment of resources and risk. In contrast, there are several drawbacks: First, low involvement in the process leads to low control about marketing/sales and product quality. A detailed contract can mitigate this problem but a daily control is not possible. Second, the firms gain low experiential knowledge about foreign market and transfer their knowledge and technologies into foreign markets (Johnson et al., 2017; Rugman et al., 2017).

Joint Ventures

In a shared ownership as joint venture a firm “shares the assets, equity and risks with a local partner” or partners (Johnson et al., 2017, p. 296). Nevertheless, the firm is faced higher resource commitments and risks, but because of the shared ownership they are less than by a fully ownership (Johnson et al., 2017). However, there are important disadvantages as conflicts about goals, investments, control and decision-making (Rugman et al., 2017). One great advantage is that the firm gains high experiential knowledge through the direct involvement.

Wholly Owned Subsidiaries

Wholly owned subsidiaries are either set up by a greenfield investment or an acquisition of an existing firm abroad. Both modes involve a one hundred percent control about the firm whereby this mode has the highest resource commitment and risk. However, the firm has full control about technology, quality, marketing and sales. Acquisition is relative quick access to market and the firm benefit from the existing knowledge of the employees. A greenfield investment requires international experience and market knowledge and provides only a low speed entry (Frynas & Mellahi, 2015; Griffin & Pustay, 2015; Johnson et al., 2017; Rugman et al., 2017).

Taking this differentiation into account, there are numerous research papers that explicitly deal with the outward activities used by SMEs. In particular, lack of financial resources, experience, networks and human resources are the main constraints for SMEs in comparison to MNEs (Nakos & Brouthers, 2002). Deresky (2014), Frynas and Mellahi (2015), Volberda et al. (2011) and Welch, Petersen, and Benito (2007) coincide that SMEs tend to exporting and use other modes seldom. A number of studies confirm this view that exporting is the most applied entry mode for SMEs (Burton & Schlegelmilch, 1987; Cavusgil & Nevin, 1981). The main reason for the choice is the limited risk and resource commitment (Doole & Lowe, 2008; Frynas & Mellahi, 2015; Volberda et al., 2011).

In contrast, there are other opinions from researchers, which indicate that SMEs also definitely apply equity modes as joint venture and wholly owned investments (Choo & Mazzarol, 2001; J. W. Lu & Beamish, 2001; J. Lu & Beamish, 2006; OECD, 2005; Shan, 1990). J. W. Lu and Beamish (2001) identify that SMEs use alliances with local partners to reduce the resource commitments by using the partner's market knowledge. Moreover, SMEs prefer in comparison to larger firms contractual agreements and minority joint ventures to reduce their commitments (Nakos & Brouthers, 2002).

Statistical data about internationalisation of SMEs confirm both opinions. A study by European Commission (2014b) shows that 25% of EU based firms apply export and 2% foreign direct investments. Additionally the European Commission (2014a) identifies that SMEs from selected countries prefer direct export (20.5%) more than indirect export (8%). Current data from 2015 also provided by the European Commission (2015a) shows that 33% of European SMEs (N=13,111) export to another country in the last 3 years. Additionally 13% have worked as a subcontractor for a company based abroad and 4% use a non-equity mode. Interestingly is also the fact that difference between the countries are partially huge. Furthermore, several country specific studies support these findings that export is the clear number one but SMEs in general use definitely all internationalisation modes (Kranzusch & Holz, 2013; UK Trade and Investment, 2014).

Sum up, it can be stated that in further consideration of governmental support for the internationalisation of SMEs, it must be considered that there are various outward activities that go beyond export activities.

2.2.2.5 Process of Internationalisation

Going global and the process of internationalization is mainly associated with two different approaches: Stage theory and born global (European Commission, 2014a).

The first is a gradual learning process in internationalisation that includes different stages is widely called ‘Uppsala Internationalisation model’ (Johanson & Vahlne, 1977; Johanson & Vahlne, 1990; Johanson & Vahlne, 2006; Johanson & Wiedersheim-Paul, 1975).

1. No regular export activities
2. Export via independent representatives (agent)
3. Foreign sales subsidiaries/branches
4. Foreign production/manufacturing (wholly owned subsidiaries)

This model, based on a study about Swedish firms, contains the assumption that firms go gradually in their internationalisation process. International activities requires resources commitment, general knowledge and market knowledge. These aspects are particularly lacking for SMEs and therefore they have to gain knowledge first in their home market. Gained a sufficient knowledge for going international, they start with low risk and low commitment modes, because their knowledge is limited. After gaining more and more knowledge in a market to overcome the liability of foreignness, firms expand their activities onto more risky modes in the foreign market (Johanson & Vahlne, 1977; Lu, Liu, Wright, & Filatotchev, 2014). In the same way, firms go gradually in entering geographically distant markets. They start with markets with a low physic distance. Physic distance means differences as language, culture and political systems (Hollensen, 2014; Johanson & Wiedersheim-Paul, 1975). A study about French SMEs from the traditional manufacturing sector confirms that SMEs apply at the beginning of their internationalisation the Uppsala model and start their internationalisation by export activities. After gaining more experience, they extend their internationalisation in several steps whereby the duration time in every step is different. However, it is also remarkable that after exports the further development is not always incremental (Dominguez & Mayrhofer, 2017). Some SMEs "set very ambitious objectives and rapidly increase both the number of foreign markets and their international commitment" that are characteristics of the ‘born global’ approach (Dominguez & Mayrhofer, 2017, p. 11).

The born global approach, is a more modern phenomena in the international business (Hollensen, 2014; Peng, 2016; Taylor & Jack, 2013; Wit & Meyer, 2014). Firms, typically SMEs, do not follow the classical stage model, but start their international activities right from the beginning of their firm foundation. Born globals are found all over the world (e.g. Australia Finland, Germany and USA) and play a crucial role for their home country economy (Cavusgil & Knight, 2015; Hollensen, 2014; G. A. Knight & Cavusgil, 2004). Their international activities are not limited to a single internationalisation mode as well export and FDI are complementary (Cavusgil & Knight, 2015; European Commission, 2014a; Markusen, 1997; Oviatt & McDougall, 2005). There are several crucial factors that may encourage the importance of the ‘born global’ approach and explain why firms, in particular SMEs apply this internationalisation process (Hollensen, 2014). The first factor is the increasing role of niche markets. SMEs, for instance high technology firms, offering specialised and customised products in a small domestic market niche, they have to go directly from the time of the firms founding international and follow not the gradual learning process (Armario, Ruiz, & Armario, 2008; Gannon, 1993; Hollensen, 2014). Second, born globals are highly entrepreneurial; their founders have a huge international experience and network as well they are open-minded and less risk averse. They see the whole world as their market (Cavusgil & Knight, 2015; Gerschewski, Rose, & Lindsay, 2015; Hollensen, 2014; McDougall & Oviatt, 2000). Third, the improved information technology all over the world is a further crucial factor for them (Hollensen, 2014).

2.3 Internationalisation Models by Institutional Influence

The fundamentals of SME internationalisation identify specific characteristics, barriers, uncertainty and risks that there are several resource disadvantages in the internationalisation process. Considering again the study of Leonidou (2004), it is obvious that the institutional environment plays a major role and has a negative impact for SME internationalisation due to e.g. political instability in foreign markets, unfavourable home rules and regulations, foreign currency exchange risks, strict foreign rules and regulations, lack of home government assistance/incentives. Mitigating these

resource disadvantages, SMEs have various opportunities both internal and external (Hollensen, 2014).

Internal, SMEs can extend their market research for more information, collaborate with other firms, imitate other firms, use marked diversification strategies and market experimentation methods for instance (European Commission, 2014a; Lieberman & Asaba, 2006; Liesch et al., 2011; Oehme & Bort, 2015). Additionally an increasingly significant aspect is the internet for reducing risk and uncertainty, as SMEs have the ability to use the internet to increase their knowledge about foreign customers, competitors and markets. Moreover, the information asymmetry in the internationalisation process can be reduced (Mathews & Healy, 2007). However, partially SMEs have problems using internal support mechanisms. First, the already mentioned lack of knowledge, second the increasing complexity and third the lack of manpower (Kalinic et al., 2014).

External support can be provided by both public institutions (government) and private providers (Stouraitis et al., 2017). Looking at empirical data about required external support helps to get a better understanding. In a study about UK SMEs, Crick (2007) identifies inter alia a large need to support for difficult/slow collection of payments abroad, difficult to locate/obtain adequate representation, limited information to locate/analyse foreign market and lack of government assistance/incentives. Especially noticeable is that the ranking of government assistance/incentives and limited information to locate/analyse foreign market is higher than by the ranking about solely perceived barriers. Conversely, the firms assess the need for support as different product standards/specifications abroad and different foreign customer habits/attitudes lower than the solely rate for support. Kranzusch and Holz (2013) identify in a study about German SMEs ('Mittelstand') the greatest need for external support in the following topics: Law/tariffs/handling with public authorities, partner search/initial contact, market- and competitive analyse, marketing/sales, exchange with experienced firms, fairs/exhibitions and finance/hedge/insurance. A Finish SME study by Team Finland (2013) examines especially the network service, monitoring of the business environment and promotional events as critical issues. In relating to support, the predominantly mentioned support is offered by government or government-backed organisations (European Commission, 2014a; Hollensen, 2014; Kalinic et al., 2014; Liesch et al., 2011). "Participating and

getting more involved with government agencies which help support export activities might be the very first key step to stay updated regarding the environments in potential export markets" (Stouraitis et al., 2017, p. 13). Similarly, the European Commission (2014a) notes that a suitable export and FDI promotion policy by home-country government helps to overcome the barriers. Hollensen (2014) suggests that SMEs should insure the risks by external entities such as governmental organisations.

When discussing the theoretical concept for SME internationalisation, it is evident that there are generally various theoretical research approaches that explain the phenomena of internationalisation from different theoretical points of view (Griffin & Pustay, 2015). The following models are mainly mentioned (Brouthers & Hennart, 2007; Laufs & Schwens, 2014; Müllner, 2016): Resource based view, transaction cost economics theory, eclectic framework, industry based view/market based view, asymmetric information and agency theory, institutional based view as well as network theory.

Before introducing the two theories that are most relevant to the research topic (institutional based view and institutional network theory), a brief explanation of further theories follows. Even if these theories are not the basic theories for the development of a modular and comprehensive support framework, individual findings from the research, such as the critical success factors, have an intersection with these other theories. The main reason against applying these further theories is that institutional influence is only captured to a limited extent. . For example, industry- and resource based view as well as eclectic framework are not sufficient to analyse the internationalisation of firms relating of governmental support. It is argued that institutional influences are not (sufficiently) considered in these theories (Dunning, 2001; Peng, 2009).

Resource-Based View (RBV):

The resource-based view implies that the choice of the entry mode/international activity depends on the firm specific internal resources and capabilities. The firm choose the mode that fit to the firm's competitive advantage and increase the profitability most of all (Barney, 2016; Collis, 1991; Wernerfelt, 1984). The resources can be tangible or intangible (Wernerfelt, 1984). Tangible resources are financial (total liquidity) and physical (e.g. company buildings, products, raw materials and sales channels). Opposite, intangible resources for instance are business relationships, organisational culture,

property rights, registered trademarks/designs and the reputation of the firm (Hall, 1992; Wernerfelt, 1984).

Reviewing these basics of the RBV it is clear that the (isolated) consideration of this framework is not applicable to examine the support by government. Although government may influence or strengthen firms resources through support programmes and business relationships, RBV does not include aspects of the specific relationship and the interaction between SMEs and government or government-backed institutions.

Transaction Cost Economics Theory (TCE):

According to a large literature review by Laufs and Schwens (2014) about entry modes in the specific context of SMEs, the transaction cost economic theory is the most applied theory in both general entry modes and SME focused research. TCE implies that firms "choose a certain organizational structure in order to minimize controlling and monitoring costs. TCE draws on three main causes, that is, asset specificity, uncertainty (both behavioral and environmental), and frequency creating market transaction and control costs" (Laufs & Schwens, 2014, p. 1112). Within these studies, the crucial factor for determine the international activity is mostly the asset specificity. Brouthers and Nakos (2004) found in a study about Dutch and Greece SMEs that firms choose rather equity modes when the investments is linked with a high specificity.

However, TCE is also criticised, because of various characteristics of the model. In the context of governmental support, TCE is limited for explanations. Particularly, governmental aspects such as individual support programmes are not considered and the focus on the way the enterprises are linked to the government support units is also not given (Anderson & Gatignon, 1986).

Eclectic Framework:

The prior introduced frameworks are 'single factor' frameworks that focus on only one view. Dunning (2001, p. 176) however, notes that "...no single theory can be expected to satisfactorily encompass all kinds of foreign-owned value-added activity simply...". Because of his assumption he develop the Dunning's eclectic framework, also named OLI-paradigm (Dunning, 1980, 1988). In the OLI-paradigm, he combines three factors from resource-based, institutional and transaction cost theories for his framework (Brouthers & Hennart, 2007): Ownership advantage (O), location advantage (L) and

internationalisation advantages (I). Ownership advantages are based on the firm resources, location advantages are country specific (host country) as well internationalisation advantages results from leveraging domestic competitive advantage in a market abroad (Dunning, 1988).

By including various factors, the OLI-paradigm is an advancement of the single theories and give detailed insights in internationalisation. For instance, based on the OLI-paradigm, a study by Nakos and Brouthers (2002) find that the perceived risks in the host country influence the international activity. However, the model excludes an analysis of the influence by government support to overcome these risks. Additionally, Müllner (2016) note that the approach does not consider the difference between risk and uncertainty.

General critic is given by Decker and Zhao (2004). They argue that the OLI paradigm try to focus on all relevant factors but that this approach is too complicated in practice. In the same way, Dunning (1980) mention that OLI is more a paradigm than a theory and therefore not applicable for a basic theory. Finally, the OLI paradigm focuses partly on the potentials for firms that arise in the target markets and less on the potentials that emanate from a strong support network of the domestic government.

Industry-Based View (IBV) / Market-Based View (MBV):

The industry-based view is the opposite theory to the RVB and is partially called market-based view. The emphasis of the IBV on the external market in the industry and the approach is that the success of the firm is mainly based on the competitive advantage. Within the IBV "the strategic task is mainly to examine the five competitive forces affecting an industry (interfirm rivalry, threat of potential entry, bargaining power of suppliers, bargaining power of buyers, and the threat of substitutes), and stake out a position that is less vulnerable relative to these five forces" (Peng, 2009, p. 15). This 5-forces model is developed by Michael E. Porter in 1980. Firms should consider these forces for building a strong and appropriate strategy.

Reviewing the 5-forces it becomes clear that the industry-based view is also not applicable as the basic theory to analyse the interaction between firms and governmental institutions. Within this theory, there are too many different forces that go beyond

government support and, in particular, do not focus on the interaction between enterprises and government organisations.

Asymmetric Information and Agency Theory

Information asymmetry and agency theory (Principal/Agent Theory) are closely related and both belong to the broad field of New Institutional Economics. Both approaches deal with the occurrence of market failures due to information deficiencies (Fritsch, 2018).

In information asymmetry, information is understood as purpose-related knowledge about states and events. A distinction is made between perfect and imperfect information. If the actors in the market are only imperfectly or imperfectly informed, one speaks of an asymmetrical distribution of information. In the following, information asymmetry refers to the situation in which two contracting parties do not have the same information when concluding and/or performing a contract. Two forms of information deficiencies are distinguished: ignorance and uncertainty (Fritsch, 2018).

Principal/Agent Theory is a model structure for problems associated with asymmetric information distribution. Fundamental to the Principal/Agent Theory is the distinction between a principal, the ordering party, and the agent, who is ordered to carry out certain actions or provide certain services. The latter usually has a knowledge advantage (information asymmetry), which can be used in different ways either to the advantage or disadvantage of the principal. Furthermore, it is assumed that the interests of principal and agent are not congruent. The theory offers a model to explain the actions of people in a hierarchy. It also makes general statements on the design of contracts (Fritsch, 2018).

Both approaches can only be used to a limited extent as a basis for deriving a new modular and comprehensive government support concept, as both are directed at very specific aspects of the issue of market failure. Although the research is based on the assumption of government intervention as a result of market failure, this assumption is a fixed assumption and the issues that can lead to market failure are not part of the empirical research on an overarching government support framework.

One aspects is nevertheless worth mentioning where a partial link to the research work can be established for the information asymmetry theory. Partial aspects of the elaborated government support framework are connected with information asymmetry (e.g. "Trust in the Organisation as a Critical Success Factor"). However, it should also be noted that

the focus is on developing an overarching support framework with elements and instruments so a theory that refers to partial aspects is not suitable as a general basis.

Of greater importance are the theories institutional-based view and institutional-based view that are anchored in the literature and have a greater intersection for the overarching research topic as this study is focussing on the institutional environment influence by government. Both theories have in common that the institutional influence is the main driver and both theories particularly include external influence on the organisational behaviour (Scott, 2001). The exact connection between how enterprises are influenced by institutional or governmental action and, derived from this, how important a well-functioning institutional environment is for the internationalisation of firms or SMEs, is the basis for the existing research project.

The institutional based view, building on the institutional theory, is focussing on the institutional environment influence on firm's strategic decisions (Peng, 2009). On the other hand, institutional network theory is based on network theory, which, however, due to institutional influence, is closely related to the basic principles of institutions. The institutional network theory is of particular importance for this study, as the institutional environment with which an enterprise interacts can consist of several actors within a network. In particular, tight and optimally designed connections with external actors are a crucial factor for the business and to reduce resource disadvantages (Oparaocha, 2015). In the following chapters, both theories will be introduced more in detail.

2.3.1 Institutional Based View

Before introducing the institutional based view including the interconnection between enterprises and institutions, this chapters begins with a general definition of institutions that shows the role of institutions in a society. To date, there is no generally valid definition of the term institution; the term institutions is used and defined differently depending on its application (Sauerland, 2018). Nevertheless, it is helpful to take a closer look one of the core concepts of institution, especially with regard to the later further delimitation within institutional network theory.

According to North (1990, p. 1), one of the main researcher in the field of new institutional economy, "institutions are the rules of the game in a society or, more

formally, are the humanly devised constraints that shape human inter-action. [...] they structure incentives in human exchange, whether political, social or economic”. The institutions are the framework within which social life takes place. The institutions take various forms, ranging from the individual behaviour and beliefs of the individual to the legal system of a state (Dobler, 2011). North (1990) distinguish these different types of institutions into two different categories, formal and informal institutions. Formal institutions consists legal, regulative and political policies, whereas the informal institutions include cultural, normative and ethical factors (Peng, Sun, Pinkham, & Chen, 2009).

Scott (2001) developed the approach by North (1990) into a more institutional framework, by adding three pillars regulatory, normative and cognitive (see table 5).

Table 5: Institutional Framework

Degree of Formality	Examples	Supportive Pillars
Formal Institutions	<ul style="list-style-type: none"> • Laws • Regulations • Rules 	<ul style="list-style-type: none"> • Regulatory
Informal Institutions	<ul style="list-style-type: none"> • Norms • Cultures • Ethics 	<ul style="list-style-type: none"> • Normative • Cognitive

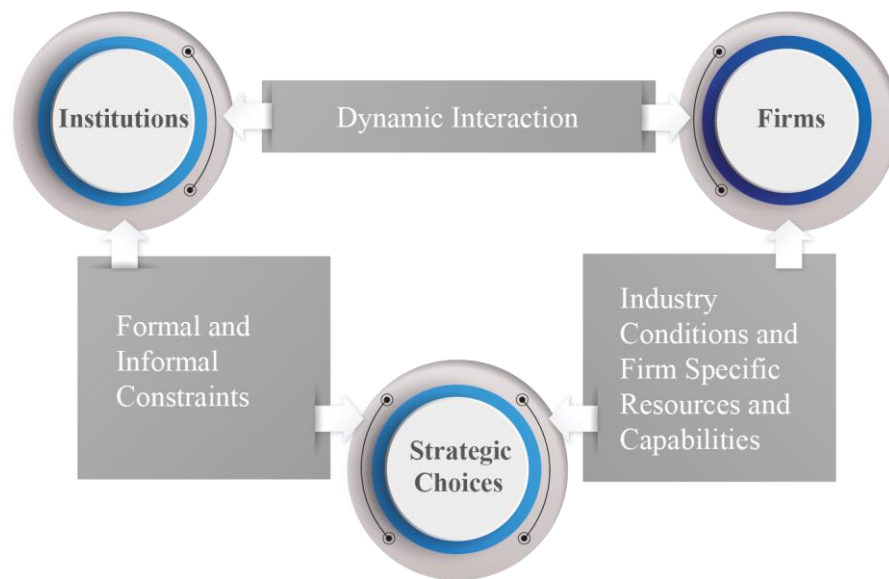
Source: Adapted from Peng (2009).

In sum, institutional influences arise from governmental actions but also from social and cultural determinants (Lu, Tsang, & Peng, 2008). It is important to note that the term institution is partly used elsewhere in common parlance. Sometimes the term is equated with public authorities and state-organized entities. However, as mentioned above and according to Norths view, institutions are informal and formal types of restrictions created by people to shape their social interaction. They could also be called ‘rules of the game’. Organisations, on the other hand, are groups of individuals who are connected by a common purpose, by the achievement of a common goal. In this respect, organisations such as public entities, legal entities and educational organisations are to be seen as players in the game (Felsch, 2010).

Various researchers in the field of strategic management derive that institutions have a major influence on the strategy of a company and do not just define smaller framework conditions (Oliver, 1997; Peng & Heath, 1996). Even more, "institutions directly determine what arrows a firm has in its quiver as it struggles to formulate and implement strategy, and to create competitive advantage" (Ingram & Silverman, 2000, p. 20). Subsequently, Peng (2009) derives the institutional based view, which explicitly deals with the influence of institutional measures and frameworks on strategic decisions of enterprises. According to North's view, "institutional theory research suggests that a country's institutional environment affects firm boundary choices because the environment reflects the 'rules of the game' by which firms participate in a given market" (Brouthers & Hennart, 2007, p. 405). Peng (2009) also bases his assumptions on the fact that without an appropriate institutional framework, some business would not happen because of the higher transaction costs.

Figure 4 shows the dynamic framework that focus on the influence of the firm's institutional environment (Peng, 2009). Institutions and firms are connected by a dynamic interaction relationship and the result of the interaction are the strategic choices by the firms. This strategic choice is mainly influenced by the formal and informal institutions on the one hand and on the other hand by factors such as the industry conditions and the firm specific resources and capabilities (Peng, 2009). In particular, the aspects such as industry conditions and firms specific resources and capabilities highlight, that when applying the institutional based view, the approach must be seen as complementary to the other two views, and can create added value, especially in combination (Gao, Murray, Kotabe, & Lu, 2010; K. E. Meyer, Estrin, Bhaumik, & Peng, 2009; Oliver, 1997). Overall, competitive strategies are the result of the dynamic interplay between firms and institutions (M. W. Peng, 2009). Based on the core principles of the institutional based view, Peng (2009) derives following propositions that illustrate the influence on firms strategic choices: "Managers and firms rationally pursue their interests and make choices within the formal and informal constraints in a given institutional framework" (Peng, 2009, p. 101).

Figure 4: Institutional Framework



Source: Adapted by Peng (2000); Peng (2002); Peng (2009).

Generally, studies on institutional environment influence on SMEs business activities are mostly focused on the domestic market (Su, Zhai, & Karlsson, 2017). In recent past, however, the institutional environment influence has been used more and more in studies about entrepreneurial internationalisation (Coeurderoy & Murray, 2008; Drori, Honig, & Ginsberg, 2006; Terjesen & Elam, 2009; Yamakawa, Peng, & Deeds, 2008). It is evident, that most of the studies have focused on national macro-level analysis and not on the firms micro-level (Su et al., 2017). It is therefore argued that the role of institutional environment influence on firm level is still under-addressed in the international business literature (Torkkeli et al., 2019). At the firm level, some evidence has already been found that the institutional environment is affecting SME internationalisation strategy and international business activities (Yamakawa et al., 2008; Zahra & George, 2006). In addition, further studies using the institutional based view have confirmed that external institution actors such as industry associations or government agencies tend to have a positive impact on export activities by offering various instruments (Coudounaris, 2018; Wheeler, Ibeh, & Dimitratos, 2008; Wilkinson & Brouthers, 2006). Maguire, Hardy, and Lawrence (2004) point also out that institutional support for SMEs is an interaction between both actors (institution and firm) and run not only in one direction. SMEs can influence institutional arrangement and institutions as well create new ones to their

benefit. In particular SMEs with a high institutional leverage capability have the ability to use their influencing power (Landau, Karna, Richter, & Uhlenbruck, 2016).

2.3.2 Institutional Network Theory

The network theory addresses the institutional influence on firm's business activities within the IB literature in a different way. Thereby, the basics of institutions are the fundamentals for the institutional network typology, which combines the two distinct streams of network theory and institutional influence (Oparaocha, 2015).

In general, enterprises do not work fully independently and autonomous but has relationships with various entities (Fonfara, Luczak, Malys, Ratajczak-Mrozek, & Szczepanski, 2012). In this context, network researcher are analysing the interconnection and relationship between the various entities that enables the entities to acquire and apply resources from the network partners (Chetty & Agndal, 2007; Iacobucci & Zerrillo, 1996). Street and Cameron (2007) constitute that SMEs are positively impacted by networks in their business activities generally and that this is principal motivation for SMEs participation in networks. The institutional environment as a partner for the enterprises foster the foundation of entrepreneurial enterprises (Urbano & Alvarez, 2014).

For internationalisation, Zain and Ng (2006, p. 184) conclude that "a network is defined as the relationship between a firm's management team and employees with customers, suppliers, competitors, government, distributors, bankers, families, friends, or any other party that enables it to internationalize its business activities".

As the definition by Zain and Ng (2006) points out, there are numerous entities with which a relationship is entered into. However, this also illustrates that the network partners are a heterogeneous group and differ significantly in their characteristics. A typology was divided for a longer period of time into two categories: social networks and business/institutional networks (Arenius, 2005; Kostova & Roth, 2003; Slotte-Kock & Coviello, 2010; Tsai & Ghoshal, 1998). Oparaocha (2015, p. 863) addressed this collective predisposition and developed "a typology of networks that separates the currently overlapping views". This approach provides a deeper understanding of networks including various institutional entities. The model consists of the three network typologies social networks, business networks as well as institutional networks.

Figure 5: Network Typology



Source: Adapted by Oparaocha (2015).

Figure 5 illustrates on the one hand the differences (e.g. actors) and on the other hand the connections between the different typologies. As this study focuses on the interconnectivity between SMEs and the government for international business activities, the institutional network subdivision will be taken into account for the further discussion.

Generally, researcher as Volchek, Jantunen, and Saarenketo (2013) discovers that research exploring the relationship between institutions and firms internationalisation was limited and a are more recent approach within the international business literature. The focus of the previous studies was on social and business networks, which confirmed a positive effect, but did not take into account the clear distinction between business and institutions. In particular, business and social networks are a crucial driver for the

internationalisation and SMEs can profit from both network opportunities (Agndal & Chetty, 2007; Coviello & Munro, 1997; Holmlund & Kock, 1998; Johanson & Mattson, 1988; Nyuur, Brecic, & Debrah, 2018; Ogasavara, Boehe, & Barin Cruz, 2016).

A number of researchers have been encouraged and examined the topic institutional network by further studies within the past years. Johanson and Vahlne (2009) find evidence that institutional networks can reduce the liabilities of foreignness and the role as an outsider as well as other resource disadvantages in the SME internationalisation. Similarly, institutional actors can support SMEs in their internationalisation to reduce the risks in the internationalisation process and support to act in a network successfully (Narooz & Child, 2017). Another study by Freeman, Edwards, and Schroder (2006) identifies networks with various actors as appropriate instrument to overcome industry related barriers. More specifically, O'Gorman and Evers (2011) identify that export promotion organisations as network intermediaries play a crucial role for providing information about e.g. new market information and customer acquisition. Industrial Districts and Innovation Clusters (e.g. government grants, innovation finance networks, venture capital networks and public–private partnerships), are identified as factors with a positive influence on the intensity and outcome of firm's internationalisation (Avnimelech & Teubal, 2008; Belso-Martínez, 2006; McDade & Spring, 2005). In the same way, business incubators, export promotion councils and direct support mechanisms are generally fostering the internationalisation of SMEs as well (Kang, 2010; Christoph Moser, Nestmann, & Wedow, 2008; Pittaway, Robertson, Munir, Denyer, & Neely, 2004; Williamson, Cramer, & Myrden, 2009).

Similarly to this studies, Oparaocha's (2015) research study about the impact of institutional networks on SME internationalisation finds evidence that institutional network collaborations have positive impact for SMEs international activities. Looking at the theoretical background of the studies it is notable that Oparaocha (2015) underpins the research study with the specific institutional network theory approach.

Reviewing table 6, it can be stated that the institutional network theory is focusing on enterprise relationships with various supporting actors within the institutional environment. The relationship has the aim to take advantage with both hard and soft factors for the firm in business activities (Audet & St-Jean, 2007; Oparaocha, 2015; Ramsden & Bennett, 2005; Schwens, Eiche, & Kabst, 2011). It is also evident that

institutional network theory, in comparison to the institutional based view, deals extensively with the underlying actors and lists them concretely. The institutions in the institutional based view are defined on a more abstract level and are not directly linked to actors.

Table 6: Institutional Network Theory

Institutional Network Theory	
Focus	Focuses in the interaction between institutions and organisations relationships in order to support market opportunity recognition and connection of the organisation with other resources.
Actors	Government Agencies, Business Incubators, Financial Institutions, R&D Institutions, NGOs, Chambers of Commerce, International Development Centres etc.
Theoretical Underpinning	Institutional Analysis Theory, Resource Dependency, Foreign Direct Investment Theory
Main Area of Influence on Performance	Support Functions and Institutional-Based Business Environment

Source: Adapted by Oparaocha (2015).

For the research, Oparaocha (2015) has reviewed various research studies (Bateman, 2000; Séror, 1998; Spencer, Murtha, & Lenway, 2005; Whitley, 2000) to determining the actors in institutional networks. It emerged that the actors are basically similar, but that a uniform definition of the associating institutions within an institutional network does not underlie this research works. Oparaocha and Ricardo (2011, p. 16) determine for their research "the formal institutional environment... as incorporating institutional networks and/or government collaborations". Taking as well the actors from table 6 into account, it is obvious that the institutional network is more than the relationship to pure government: Government agencies, Business incubators, Financial institutions, R&D institutions, NGOs, Chambers of commerce, International development centres etc. (Oparaocha, 2015).

Sum up, the existing studies addressing the institutional network and institutional environment have in common that institutional support has generally a positive impact on SME internationalisation. When reviewing the studies, however, the term institution is used for different actors or institutional instruments. It is obvious that the allocation of these individual actors to the institutional network is applicable, however, the question arises whether a more extensive division of the actors into further subsets is appropriate for further research. As this research addressed the specific area of government support for SME internationalisation, it was of interest whether a government network perspective already exists in the network theory and if not, which is an indication for a separate consideration of government support within the institutional network. Reviewing international business literature, theoretical knowledge about the specific role of a government network in promoting the internationalisation of SMEs is very limited and a refinement of the above-mentioned institutional network approach towards a pure government network perspective has not yet been carried out (Oparaocha, 2015). Of course, there are numerous studies dealing with the impact and role of individual government promotion measures for SME internationalisation, but they deal with individual support measures by institutional agencies with a focus on governmental regulations and not with coherent support measures within a government network from various actors (Ahmed & Brennan, 2019). In the same way, few other researchers (Belso-Martínez, 2006; Shirokova & McDougall-Covin, 2012; Volchek et al., 2013) analyse the impact of normative or cognitive (government) institutions to SME internationalisation.

Comparing the actors within the institutional network on the basis of the aspect of which actor is allowed to offer promotion instruments for internationalisation in which cases, a significant difference becomes directly evident. The theoretical justification for government interventions differs significantly, as these may only intervene in the market in certain cases, e.g. market failures (Fritsch, 2018). The other actors in the institutional network, on the other hand, are much freer to make their own decisions and are less subject to political guidelines. In sum, the motives differ significantly. In the following section, the pure government network perspective including the justification for government intervention that is grounded in the economic policy theory is explained.

2.3.3 Government Network Perspective

Even if studies on a specific government network perspective for the promotion of SME internationalisation in international business literature are rare, the institutional network approach from Oparaocha (2015) was a first step towards this. Within the institutional network theory, the term government is used to describe a variety of different actors, who together represent the interests of the government and offer support to SMEs. Summarised, there is not just one implementing body but several actors together carry out the support. In addition, the governmental agencies and government related actors are not one structural unit, but rather, various actors in the community are together the entity government; for example: ministry of foreign trade and export credit agencies (Bateman, 2000; Séror, 1998; Spencer et al., 2005; Whitley, 2000).

The assumption that an isolated consideration of a government sub-network (see figure 6) makes sense, is indicated in differences to the other actors in the institutional view. Basically, this study is neither intended to examine the question of whether the state should generally offer promotion for internationalisation or not. However, a brief theoretical justification in the context of economic policy is helpful to illustrate the difference to the other actors within the institutional network and serves as a further point of reference for a separate consideration of a government network perspective.

Promotion for internationalisation is an integral part of economic policy in industrialised countries and is largely uncontroversial, even though it is sometimes questionable whether state intervention is necessary due to the largely existing market economy system. General economic theory principles in the context of the state's authority to intervene are that the state may intervene in the market economy structure whenever a market failure has occurred or would otherwise occur.

According to Fritsch (2018), there are five possible causes that can lead to market failure:

- Governmental anti-market interventions
- External effects
- Indivisibilities of production factors and market power (natural monopolies)
- Lack of information
- Adaptation shortcomings

Figure 6: Actors within Institutional Networks



Source: Adapted by Oparaocha (2015); Spencer et al. (2005); Séror (1998); Whitley (2000); Bateman (2000).

If enterprises are active on foreign markets, the current economic theory assumes that these economic activities are associated with higher transaction costs compared to the domestic market (Schultes, 2003). Fritsch (2018) notes that in the cases mentioned, there is a conflict with central assumptions of the model of perfect competition. Habuda, Hilpert, Martsch, and Oechel (1998) cite the following causes for increased transaction costs in economic activities on foreign markets: geographical distance to foreign markets, different currencies, cultural, business as well as language differences, specific foreign trade risks as well as state protection of markets against foreign competition.

In particular, the lack of information is of crucial importance, as enterprises are faced with the question of whether they will get all the information they need and, if so, whether it should be obtained at all in terms of opportunity costs (March, 1994). This may result in enterprises incorrectly assessing the importance of information or wanting to avoid the costs of obtaining information - and ultimately not operating optimally in foreign markets (Schultes, 2003). Government intervention in the framework of economic development instruments can help to overcome the increased transaction costs caused by lack of information. Furthermore and more general, Kirsch (2004) notes, that the government should take action if the costs of an economic activity become too high and/or if a certain economic activity could otherwise not be implemented at all. When providing governmental support in the context of information procurement, the government should ensure that it only provides information that arises in the context of trade barriers, that the information procured is not too specific and that it does not completely exempt enterprises from their obligation to procure information (Schultes, 2003).

2.4 SMEs Use of Government Support for Internationalisation

The following chapter takes up the government network perspective approach presented in the previous chapter, in which the relationship between enterprises and various governmental (backed) actors is founded. Considering the advantages resulting from the international activities of enterprises, in particular exports, policy makers are forced to provide suitable measures to support enterprises strategically and thus to maintain and expand their international performance (Lages & Montgomery, 2005). Before discussing the role of government promotion measures, the interconnection between SMEs and government as well as particularly the interconnection between the individual governmental actors in a subnetwork from SMEs perspective, this section will start with a brief introduction in the fundamentals of government foreign trade and investment promotion, followed by a discussion about the various actors within the government network.

2.4.1 Foreign Trade and Investment Promotion Dimensions

In general, foreign trade covers all economic transactions between countries. Economic transactions include the movement of goods, services, capital, payments and other economic transactions between the domestic market and foreign countries. The totality of all government actions and measures to influence foreign trade according to their objectives is called foreign trade policy. In the broadest sense, foreign trade policy therefore encompasses all governmental activities directly aimed at controlling these foreign trade transactions. In addition to further real economic and monetary instruments, the promotion of foreign trade is a central component of foreign trade policy (Glastetter, 1998).

Foreign trade policy forms an economic policy framework for the promotion of foreign trade. It comprises all government measures taken to improve economic conditions at the level of individual enterprises and which directly support entrepreneurial activities abroad (Hauser, 2009). In the literature and also in the economic policy environment, the term foreign trade promotion is sometimes equated with the term export promotion. However, foreign trade promotion in the broader sense comprises more than just export promotion, since measures to promote imports are also to be included in the broader term. In the practise of economic policy, however, this aspect is barely mentioned. Furthermore, the promotion of direct investments is also part of the broader concept of foreign trade promotion, regardless of whether they are domestic direct investments abroad or foreign direct investments on the domestic market. In economic policy practice, the instruments of export promotion as well as both instruments of FDI promotion are used, whereas import promotion is hardly ever applied (Schultes, 2003).

Figure 7 illustrates the different terminologies, subsumed under the term foreign trade and investment promotion (FTIP): Export promotion, import promotion, direct investment abroad promotion as well as foreign direct investment on domestic market promotion. This study addressed only government support within the two dimensions export promotion and direct investment abroad promotion.

Figure 7: Overview about FTIP



Source: Adapted by Schultes (2003).

Other real economic and monetary instruments, such as export and import bans, customs policy measures, restrictions on capital flows, trade liberalisations, (exchange rate) policies, taxes or tariffs are not integrated into the research. Even if this are important incentives for the governments to regulate the market, these are macro-level and not firm level incentives (Cavusgil & Naor, 1987; Disdier, Fontagné, & Mimouni, 2015; Rifin, 2014; Stouraitis et al., 2017). The same applies to domestic economic interests that governments introduce to multilateral institutions such as the United Nations (UN), the WTO, OECD or the Berne Union (BU) (Klasen & Bannert, 2015).

2.4.2 Actors of Government Network Support

Before introducing the actors and organisations within the government network perspective that foster SME internationalisation by offering support measures, this section starts with a brief explanation of the term organisation that will be used in the following as a synonym for actors. Basically, Schultes (2003) defines organisations as a group of individuals who are connected by a common goal resulting from the purpose of the organisation. All the organisations involved in the promotion of foreign trade and investments have fostering of enterprises in their activities abroad as their common overriding objective.

As already mentioned in the discussion about the government network perspective, there are several organisations who together represent the interests of the government. Based on a literature analysis, Schultes (2003) points out that the objective of the governmental support is complex and has more a broader sense. In principle, all the organisations involved have the promotion of internationalisation as their common goal, but this very general formulation is not a clear indicator for individual objectives of the respectively organisation. Each participating organisation can define its objectives individually to a certain extent, which means that coordination becomes more complex in order to achieve the overall goal of the government network. An important note here is that it must be ensured that organisations do not focus their promotion activities on just one enterprise (principal), but on a large number of enterprises. This results to a situation with multi principals where the results of the support may not be entirely satisfactory for some enterprises, but in the overall view they are satisfactory for the organisation (agent).

The government network also includes other organisations that at first glance appear to belong to the broader institutional network or business network. On the one hand, these can be enterprises which carry out promotion tasks on behalf of the government according to clear guidelines and, on the other hand, classic membership organisations which, due to the strong influence of the government (e.g. financial support), take on direct promotion tasks for the state or orient themselves to the official guidelines. This results in the following three organizational clusters within the government network perspective: Government organisations, enterprises and membership associations (Schultes, 2003).

Government

A state is defined as a social network of relational principle-agent relationships between its citizens (the principals) and their representatives (the agents), e.g. with the aim of optimising the general welfare by appropriately organising the use of force, i.e. the allocation, administration and transaction of political rights of disposal (Richter & Furubotn, 2010). As a result, foreign trade promotion represents a welfare contribution by the state for its citizens (Schultes, 2003). In the context of foreign trade and investment promotion, however, it should be noted that, although the state can legislate itself, it acts less by coercion than by providing a pool of instruments that enterprises can, but do not have to, use.

Basically, depending on the structure of a state, a distinction must be made between centralised and decentralised state activity, that has a crucial impact on the foreign trade and investment promotion as well. Decentralised state structures mean that not all services are provided at the central state level, but that there is a vertical distribution of tasks between the central organisational level and individual regional organisational units (Fritsch, 2018; Schultes, 2003). In addition, there are also states with a federal structure in which the regional authorities have largely autonomous powers and assume some of the state's tasks independently.

It is important to remember that local authorities can pursue a two-dimensional target structure and thus influence the promotion of foreign trade and investments in two ways. First, in their local sub-region, they can make political decisions largely independently of the centrally controlled organizations due to their autonomous competencies and resources. Second, they can also place their interests at the central, higher level and thus try to ensure that the foreign trade and investment promotion designed by this central level is optimally designed in their own interest (Schultes, 2003). It should also be noted that there can also be systemic competition between local authorities, although this fact is more relevant in the investment promotion of foreign direct investments on the domestic market in order to influence the choice of location of enterprises (Fritsch, 2018).

Furthermore, due to the contractual design of the political services, imponderables and (planning) uncertainties arise for some enterprises (Dixit, 2000). In principle, the state guarantees compliance within the programme lines, but the programme lines are often limited in duration and there is no legal entitlement to an extension beyond this date. Due to elections and a possible change in political orientation, there may be a significant change in the orientation of foreign trade and investment promotion (Schultes, 2003). In addition, the principal-agent links between the state and the enterprises, as fundamentally known, are characterised by a sometimes high degree of information asymmetry and complexity. It can therefore be assumed that the orientation and, derived from this, the concrete design of foreign trade and investment promotion programmes do not sufficiently satisfy the needs of the enterprises. The planning tends to be done from the perspective of state actors, some of whom pursue other objectives (Dixit, 2000). This framework is therefore designed in such a way that research is carried out from the

perspective of the enterprises in order to avoid this scenario and add knowledge accordingly.

Enterprises

Although private enterprises are normally assigned to the business network, there are some private enterprises which are directly commissioned by governments to take on tasks within the promotion of the internationalisation of SMEs and thus also belong to the government network. More precisely, the government can delegate sovereign tasks to private enterprises so that they can take over administrative processing on its behalf (Schultes, 2003).

Political Membership Associations

In general, membership organisations are part of the broader institutional network but not of the more specific government network. From an economical point of view, membership organisations are part of the third sector that Bourne (2005, p. 1) defines as follows:

“The third sector is the term used to describe the range of organisations which are neither state nor the private sector. Third sector organisations (TSO) include small local community organisations, and large, established, national and international voluntary or charitable organisations. Some rely solely on the efforts of volunteers; others employ paid professional staff and have management structures and processes similar to those of businesses, large or small; many are registered charities whilst others operate as co-operatives, “social enterprises” or companies limited by guarantee... All share some common characteristics in the social, environmental or cultural objectives they pursue; their independence from government; and the reinvestment of surpluses for those same objectives.”

The main elements characterise these membership associations (Northern Bridge, n.d.): Non-governmental, non-profit and values-driven.

However, some membership-political associations are - although formally independent from the government - in some countries, such as Germany or in the United Kingdom, to be considered as part of the government network. These membership-political associations have a mandate and also financial resources from the government to support the promotion of internationalisations (Chapman, Mawson, Robinson, & Wistow, 2018; Schultes, 2003). Often another detail is that compulsory membership is required by the government for enterprises within the political membership association. This also ensures

that in the event of a transfer of certain sovereign tasks, all enterprises receive specific information and consulting services (Schultes, 2003).

In the following, the term government support refers to organisations that belong to the three clusters just discussed, however, in the area of membership organisations only the exceptional part.

2.4.3 The Role and Benefit of Government FTIP

Notably, the role of government promotion for internationalisation have already been considered and analysed in numerous research projects in the field of international marketing. Even if there is no doubt that the foreign economic policy differ from country to country and depends on their membership of an economic area (e.g. EU), the local political system and specific economic requirements, FTIP by government is a popular policy instrument to foster the economy (Griffin & Pustay, 2015; Musteen et al., 2014; Shamsuddoha, Ali, & Ndubisi, 2009; Welch & Luostarinen, 1988). The motivation to support enterprises in their internationalisation is to promote business and economic growth and not in a profit-oriented manner, as government support is predominantly free of charge (Audet & St-Jean, 2007; Oparaocha, 2015; Ramsden & Bennett, 2005). FTIP is an accepted strategic tool used by developed and developing countries to straighten out the previously discussed market and systematic failures (Al Barwani et al., 2014; European Commission, 2014b; Ipinnaiye, Dineen, & Lenihan, 2017; Love & Roper, 2015; Mole, North, & Baldock, 2017; Pauceanu, 2016). Partly, SMEs with a lack of knowledge about international business activities are dependent on government support and have an increased requirement to overcome the risk that derive from the host country conditions (Schwens et al., 2011; Volpe Martincus & Carballo, 2010). The general importance of government promotion measures is also reflected in the fact that in recent years a larger sum has been allocated to support instruments in state budgets (Ahmed & Brennan, 2019).

Evidence from various studies confirms the important role governmental support for SME internationalisation. It is notably, that government regulatory measures have a direct influence on the business activities (Peng et al., 2009). Basically, it was analysed that without government support SMEs sometimes do not carry out any internationalisation

at all and continue to operate only locally on their domestic market. In addition, there is evidence that SMEs, supported by government promotion activities, a) carry out an earlier internationalisation, b) the internationalisation activities carried out are more diversified and c) the potential market opportunities in foreign markets are better identified (European Commission, 2014b). Similarly enterprises that obtain sufficient information about the target market and the formal and informal conditions prevailing there as part of their international activities are more likely to succeed than enterprises that do not (e.g. Globerman and Shapiro (2009); Hitt, Ahlstrom, Dacin, Levitas, and Svobodina (2004); Luo and Peng (1999)). Furthermore, governments provide support to "help SME develop international networks and ties that contribute to successful internationalization" (Musteen et al., 2014, p. 767).

More precisely, the benefit of governmental support can be either soft and/or hard, what means that the benefit is on intangible (e.g. uncertainty) and/or tangible (e.g. reduced costs and increased profits) (Ramsden & Bennett, 2005). Within this government support, SMEs can benefit from a broad range of instruments in internationalisation offered by various government organisations (Audretsch, 2004; Durmuşoğlu et al., 2012; Freixanet, 2012; Griffin & Pustay, 2015; Hayakawa et al., 2014; Peng, 2016; Volpe Martincus & Carballo, 2012; Wang et al., 2012). The offered instruments differ from country to country, but there are numerous instruments that are offered in several countries, regardless of the economic characteristics of the country (developed or developing). In particular, offered government support is closely linked to avoid and minimise the barriers and risks that SMEs face in their internationalisation (Ipinnaiye et al., 2017; Mole et al., 2017; Ramsden & Bennett, 2005).

Using identified barriers for clustering the offered FTIP instruments, the OECD identified in a transnational study following instruments (see table 7).

The study by Oparaocha (2015, p. 867) gives a further indication of the requirements of SMEs in terms of support, even if, as already mentioned, it focuses on the entire institutional network sector. Nevertheless, the requirement is independent of the field of study and gives a general indication of the requirement for support tools: "(a) advisory and knowledge-support services, (b) financing information, (c) partner search and foreign business contacts, (d) market information, and (e) innovation subsidies and FDI incentives" as the mainly used programmes.

Table 7: FTIP Barriers and Instruments

Barriers	Instruments
Financial Barriers	Variety of Forms, including Export Credit Guarantees, Pre-Shipment Financing and Working Capital Augmenting Facilities
Informational and Contact Barriers (e.g. Identifying Foreign Business Opportunities, Locating or Analysing Markets, and Contacting Potential Overseas Customers and Partners)	Variety of Forms, including Handholding Market Service, Personalised Research, (Overseas) Service Offices, Embassies and Service Agencies
Managerial Capacity Barriers (e.g. Limited Managerial Skills and Knowledge)	Variety of Forms including Export-Coaching Courses

Source: Adapted by OECD (2009).

It should also be noted that a great part of the international business literature deals mainly with export instruments and their impact on export performance, and less with instruments that also include the internationalisation activity of FDI (Abou-Stait, 2005; Alvarez, 2004; Leonidou, Palihawadana, & Theodosiou, 2011; Njinyah, 2018; Sharma, Sraha, & Crick, 2018). This research framework explicitly included government export as well as FDI instruments, measures and services to generate a broader knowledge about the internationalisation of SMEs and how government can support the internationalisation in a more comprehensively system.

For this study the following classification of FTIP instruments was applied (Ahmed & Brennan, 2019; Diamantopoulos, Schlegelmilch, & Katy Tse, 1993; Kotabe & Czinkota, 1992; Shamsuddoha, 2004; Shamsuddoha et al., 2009): Indirect/Direct Financial Instruments, Market Development-Related Instruments as well as Technological Instruments (see table 8).

Table 8: FTIP Instruments

Group	Instruments
Indirect/Direct Financial Instruments	Loans, Export Credit Insurance, Subsidies, Grants, Funds, ect.
Market Development-Related Instruments	Seminars, Counseling, Handbooks, Foreign Trade Fairs, Market Analysis, etc.
Technological Instruments	Technological Assistance to Develop New Products, Assistance in Obtaining Foreign Technology for Product Development, and Technical Training Programs for the Development of Skilled Manpower, etc.

Source: Adapted by Ahmed and Brennan (2019); Diamantopoulos et al. (1993); Kotabe and Czinkota (1992); Shamsuddoha (2004); Shamsuddoha et al. (2009).

Technological instruments are closely linked to the topic innovation, in which government support has become increasingly important during the last years. However, innovation-oriented funding instruments do not necessarily have to focus only on technological aspects, but can also cover, for example, special financial instruments that are offered specifically for new innovations. In recent decades, governments in industrialized countries have created many legal frameworks to promote the development of innovative technologies in enterprises. Legal frameworks have been changed in order to use competitive tendering also to promote innovation. In addition, government organisations offer numerous support measures. For example, innovative financing instruments and infrastructure measures to promote innovation are playing an increasingly important role here (Klasen, 2020). Due to the clear dependency of financial support for technological innovation, these financial resources are also allocated to the category of technological instruments and thus complement the non-financial resources in this category, which are shown in table 8. Recent research shows that there is a strong link between innovation and internationalisation and that institutions have to support and foster the innovation of SMEs stronger (European Commission, 2010) (Love & Roper,

2015). European Commission (2010, p. 73) find in a large transnational study about SMEs that

"internationally active firms more often introduce product, service and process innovations and 60% of the internationally active SME developed these new products or services by themselves. The survey results confirm that firms see innovation both as being necessary to enter foreign markets and as a consequence of foreign market activities ("learning-by-internationalisation")"

Hence, European Commission (2010) recommends that public policy should stimulate innovation and internationalisation in conjunction, because both are relevant policy objectives. Similarly, Love and Roper (2015, p. 42) point out the importance of innovation and export because "innovation and exporting appear to work jointly to improve performance".

From a practical point of view there are in several countries programmes available that foster innovation in SMEs. Financial support for research and development, venture capital, promotional loans and loan guarantees to mention a few. For instance, Switzerland offers with the 'Technology Fund' loan guarantees for highly innovative firms. Beside these more traditional programmes, governments may support innovation in the context of internationalisation with specific programmes (Management Agency of the Technology Fund, n.d.).

2.4.4 SMEs Use of Government Network FTIP Instruments

Government support for SMEs is likely to play an important role, with evidence that SMEs benefit significantly from the offered support instruments. However, research exploring the association between the use of government support through the internationalisation of SMEs and the design of the government network scheme is limited in the international business literature. Most studies in the international business literature deal just with the positive or negative effects of government support, and often an isolated analysis of various support instruments was carried out.

SMEs Use of Government FTIP Instruments

The theoretical model by Seringhaus and Rosson (1990) indicates, even if it was originally designed purely for export promotion, that firms are influenced by export promotion in several phases that are closely connected: First, awareness and attention to

the programmes, second, getting the right information at the right time and assistance in planning and preparation of internationalisation activities as well as third, the use of the external support within the explicit execution of internationalisation activities. Despite this recognition that these phases exist in the interaction between enterprises and governmental organisations, only a few studies have focussed on investigating SMEs use and non-use of the various FTIP provided by government. In addition, the majority of research has exclusively investigated the awareness of export promotion programmes and this is also predominantly not exclusive to government support measures.

Generally, research has shown that the use of government FTIP by SMEs was very limited even in developed countries such as Germany. Furthermore, the research does not focus on SMEs use in detail, but only on whether there is a general use by SMEs. Two figures from a study support this aspect: Only 7.5% of the SMEs surveyed rely on support from the government export credit insurance agency. In addition, the German Trade and Investment Agency is even used by only 4.5% of SMEs (Kranzusch & Holz, 2013).

Referring to the first phase of interaction mentioned by Seringhaus and Rosson (1990), the awareness of government support, it became evident that the awareness is a critical factor for SMEs use of the promotion instruments. It has been shown that this is at least, if not even more important than the quality of the instruments offered (Audet & St-Jean, 2007; Narooz & Child, 2017). Studies focussing on the export promotion confirm that the lack of knowledge and awareness has a negative impact on the benefit of the different promotion instruments (European Commission, 2014a, 2014b; Krummaker, 2020). "The percentage of EU SME that are aware of these possibilities range from 15% for micro enterprises to 27% for medium-sized enterprises, and from only 10% for enterprises that are not internationally active to 22% for SME with international activities" (European Commission, 2014b, p. 18). SMEs awareness of FTIP is closely linked with the use of external FTIP instruments as the awareness is a necessary prerequisite for successful programme adoption. However, it is not in itself sufficient to secure usage. In addition, both awareness and use is accompanied by interest shown on the part of the decision maker of external support as well as an expectation that the use of such an external support will indeed help (Diamantopoulos et al., 1993). Further reasons for non-use were found to be that the funding programmes are sometimes too complex and are not understood by

the SMEs. In some cases little information about the institutions as such is known by the persons responsible in the enterprises (Audet & St-Jean, 2007).

Moreover, institutional voids that prevent SMEs from using FTIP instruments are a) inability to provide sufficiently customised niche information, b) insufficient attention to some emerging markets, c) lack of knowledge of institutional staff and/or their knowledge is inferior to that of the SME entrepreneur and d) internal institutional inefficiencies (Narooz & Child, 2017). Furthermore, Landau et al. (2016) note that especially firms that have the capability to leverage government support are successful in internationalisation. Firms that do not have this ability do not use the offered support programmes.

Generally, studies have shown that SMEs have generally a need for FTIP instruments, even if SMEs are very heterogeneous in their required support (Child & Hsieh, 2014). It is also evident that SMEs want to use an expanded range of government FTIP instruments beyond existing needs (Kranzusch & Holz, 2013). However, there are only limited direct indicators of what the desired additional offer should look like and which groups of government promotion instruments are relevant (cf. table 8). In sum, only studies on current use, which are also very rarely available in the international business literature, provide a small degree of indications.

Reflecting again the phases of interaction by Seringhaus and Rosson (1990) and compare these indications above, very little is known about how this cooperation and connection between enterprises and government organisations should look like in an efficient case, particularly in the especially in the phases following the awareness phase. There is even less knowledge about these than about the awareness phase.

Undeniably, numerous studies have shown, as also mentioned above, that government support can help enterprises to overcome barriers and risks and have a positive effect (European Commission, 2014a; Hollensen, 2014; Krummaker, 2020; Stouraitis et al., 2017). However, the concrete form of promotion, support and cooperation with government organisations is underrepresented in the literature to date. Little research has been done on what firm level specific factors (e.g. internal processes, managerial factors) shape cooperation and thus the use of funding instruments by enterprises. Similarly, little research has been done at the firm level on how the specific government support factors influence the use of funding instruments (Torkkeli et al., 2019). One approach was

provided by a report published by the OECD, in which various recommendations for action were mentioned, which, however, primarily referred to entrepreneurial and micro enterprises (OECD, 2003): a) easy access to a central location, combined with easy access to the required documents and forms, b) quick access to the advisory service, c) easily understandable documents and forms, as well as d) explicit expertise of the advisors tailored to the client's needs, e.g. due to local conditions.

Comprehensive and Modular Government Network FTIP Framework

In their studies in the field of institutional networks, various researchers have found confirmation that network relationships generally have a positive impact on the international activities (Coviello & Mcauley, 1999; Malhotra et al., 2003; Oparaocha, 2015). Not only the lack of a theoretical underpinning of a government network perspective within institutional network theory, but also the lack of research in international business literature about a comprehensively and efficiently governmental FTIP framework from SMEs point of view showed that there are missing insights for analysing SMEs efficient use of promotion instruments in detail.

Generally, as the discussion about the role and benefit of the government promotion activities as well as SMEs use of FTIP instruments has shown, there are various FTIP instruments in the various phases available, offered by various government organisations within a country (Audretsch, 2004; Durmuşoğlu et al., 2012; Freixanet, 2012; Griffin & Pustay, 2015; Hayakawa et al., 2014; Peng, 2016; Volpe Martincus & Carballo, 2012; Wang et al., 2012). However, often instruments have been or are developed side by side and hardly act at all or not in a common context such as a government network framework (Klasen, 2020). Although there is limited research on the concrete design of a comprehensive government network FTIP framework, both from a SME and government perspective, there are numerous comments in the literature in favour of such a framework.

As there is a direct link between economic policy and firms development (Adonis, 2014; Heseltine, 2012; Young, 2014), it is obvious that SMEs profit from a stronger governmental environment (Love & Roper, 2015). In addition, it is assumed that a coordinated government support could be important, illustrated by the example of export and innovation activities. "Either a single agency responsible for both innovation and export support or at least a close alignment between policy on both areas. Equally important, however, is ensuring that the day-to-day support offered to individual SME

seeking to develop their innovation and exporting performance is as seamless and locally accessible as possible" (Love & Roper, 2015, p. 43). Landau et al. (2016) suggest that policymakers should create institutions with a large reach and a clear structure of their offered programmes that the SMEs can see the benefit. Already 1993, Gibb pleads in his article about policy support for a comprehensive model that is both influenced by relevant factors and applicable for managing growth of SMEs by various actors.

Furthermore, recent research (e.g. Landau et al. (2016); Lazzarini (2015)) point out the importance of a strategic approach in support that fits to both national objectives and firms requirements. Undisputedly, there is a "lack of a tailor-made approach in SME support schemes for internationalization" (Child & Hsieh, 2014; European Economic and Social Committee, 2017, p. 11). Similarly, Curran (2000, pp. 44–45) stated that politicians often attempt to "favor standardized approaches easy to cost, administer and monitor ... ignoring the heterogeneity of small firms or the specific characters of localities". A tailor-made approach and a unified framework is in the context of this study not contrary, because using a unified but modular framework this may apply for a large number of SMEs and at the same time SMEs are able to select the required support programmes individually.

Even more concretely, but from a strong government's perspective it can be determined that the management of an interplay of three fundamental building blocks is a key to building sustainably success: an overarching strategic orientation of policy and administration, the concrete design of funding institutions and the implementation of critical success factors (Klasen, 2020). Resulting from this, Meyer and Klasen (2013) have developed a theoretical approach for the development of such a management system, which can be described as a Strategic Eco(n)system. The aim is to create a strategic regulatory framework for politics and administration that ensures effective orientation and specific goals by applying internal and external factors, for example, for innovative foreign trade promotion (Klasen, 2020). The 'Strategic Eco(n)system' is developed on a macro-level "to take a broader strategic view first" (Meyer & Klasen, 2013, p. 8). Although the 'Strategic Eco(n)system' approach does not focus on the firm level, it illustrates that the design of the funding institutions and instruments plays an important role for a successful supporting framework and should be considered in further research. In addition, it is also evident that the government's perspective is being used to develop

the political, regulatory and administrative framework for FTIP in the ‘Strategic Eco(n)system’ and not the firm’s perspective for an easy-to-use support network.

Sum up, various researchers have found confirmation that network relationships generally have a positive impact on the international activities (Coviello & Mcauley, 1999; Malhotra et al., 2003). Additionally, networks allow SMEs to reduce their own lack of resources through using resources offered by network partners (Ripollés, Blesa, & Monferrer, 2012). They can furthermore, not only use hard resources such as direct instruments, they can also learn from partners and thereby gain experience and knowledge for internationalisation (Prashantham, 2011).

2.4.5 Research Gap and Question

Although both SMEs use of government FTIP and a comprehensive and intelligent government network FTIP-Framework were relevant topics within the international business literature and generally explored, a combined view of these research areas, which includes and analyses factors of both topics in combination, was a highly underrepresented research area. It should also be noted that, as the existing literature research has shown, even the isolated investigation of the two topics was of a rather fundamental nature and provided only a limited amount of information. It was even more clearly identified that there was a great need for research on the explicit combination and relationship between the use of government support in the internationalisation of SMEs and the design of a comprehensively and homogeneous government support network.

Therefore, bringing this both streams together this study strived to answer the main research question:

How can German SMEs use a variety of economic promotion programmes provided by government organisations to foster internationalisation?

The extant literature has shown that in general SME internationalisation and as well individual government FTIP instruments are well examined. However, in the specific context of insights on the use of a variety of FTIP instruments provided by government within a comprehensive support scheme, the following four knowledge gaps have been identified which justify the main research question:

First and as an overarching research gap in terms of anchoring in network theory, this research study analysed the role of the government network perspective in the context of the institutional network theory and the internationalisation of SMEs. The extant literature review has indicated that prior studies in the institutional network theory have not considered the explicit role of distinct government support, which does not include all actors in the institutional network, but also only those organisations that can be attributed to the state in a narrow sense (Oparaocha, 2015). As the isolated consideration of the institutional network within the broader network theory was also a clearly under-researched aspect of international business literature, the study also contributed to expanding knowledge in the more general network theory (Eriksson, Fjeldstad, & Jonsson, 2017; Kiss, Danis, & Cavusgil, 2012; Narooz & Child, 2017). In addition, research findings suggested that the impact of home country government on the internationalisation of SMEs have to be analysed more in detail, as home country government support is underrepresented in international economic literature compared to host country support (Laufs & Schwens, 2014).

Second, it has been shown in a few studies that both the institutional and government environment have a positive influence on the internationalisation of SMEs (Jones, Coviello, & Tang, 2011; Kiss et al., 2012; Oparaocha, 2015; Stouraitis et al., 2017; Szyliowicz & Galvin, 2010; Urbano & Alvarez, 2014). Further research on pure government support within the institutional environment would generate more in-depth knowledge, especially if the research were done from the enterprise's point of view. Indeed, it has been shown that the impact of institutional environment on SME internationalisation from a firm level perspective is widely unaddressed and had so far mostly focused on the national and macro level research (Meyer & Klasen, 2013; Torkkeli et al., 2019). For example, research on the development of FTIP instruments has so far been conducted mostly from the perspective of the government (Dixit, 2000). This study was therefore designed in a way that the research was carried out from the perspective of the enterprises in order to avoid this scenario and add knowledge accordingly.

Third, co-operation and interaction between SMEs and governmental organisations is a complex process consisting of several phases (awareness, initiation, agreement phase and the usage itself). For an efficient use of the funding instruments, it is therefore necessary

to analyse not only the awareness phase but also downstream phases. However, it has been found that most research has focused exclusively on the awareness phase and the other phases have not been researched in great detail (Seringhaus & Rosson, 1990). It has been shown that internal aspects such as management factors but also external aspects, which result from the specific design of the funding organisations, are relevant and influence the quality of the usage of the support instruments (Torkkeli et al., 2019). In addition, the use of promotion instruments itself, has also been researched only to a limited extent and the study will also cover general information regarding reasons for the non-use of promotion instruments (Kranzusch & Holz, 2013). It was therefore important to identify relevant factors that influence individual phases but may also be relevant to the interaction between SMEs and funding organisations across all phases. Consequently, it was questionable whether there were different intensities of interactions depending on the phases.

Fourth, researchers concluded that in international business research a comprehensive framework for the promotion of SME internationalisation is missing (Gibb, 1993; Landau et al., 2016). In particular, firm's requirements are important for developing a comprehensive promotion framework that contains a variety of instruments from different government organisations and thus also takes up the mentioned government network perspective (Landau et al., 2016; Lazzarini, 2015; Stouraitis et al., 2017). "At a national level, governments are able to create a level-playing field for entrepreneurs with legal and regulatory instruments and frameworks. This includes rules and regulations for sustainable economic development, sound financial governance as well as social and environmental standards" (Klasen & Bannert, 2015, p. 10). This study therefore investigated how a uniform government promotion framework should be designed so that an intelligent and comprehensive use by SMEs is possible. With regard to this aspect, it was also questionable whether the existing categorisation scheme, which categorises the various funding instruments, needed to be supplemented or modified (Ahmed & Brennan, 2019; Diamantopoulos et al., 1993; Kotabe & Czinkota, 1992; Shamsuddoha, 2004; Shamsuddoha et al., 2009).

Based on the extant literature review and the identified knowledge gaps, this study examined the use of variety of economic promoting programmes provided by government. Exploring this main research topic in detail and bring together the different aspects of theoretical knowledge, the following sub-research questions complement and refine the general research question:

- **Sub-Research Question 1: Awareness, Initiation, Agreement and Use Phase**
‘What are SMEs' experiences regarding FTIP instruments during the interaction process with the government organisations in the context of internationalisation? To what extent did the experiences have an impact on the various phases of the interaction process?’
- **Sub-Research Question 2: Modular and Comprehensive Support Network**
‘Are there key instruments for improving existing FTIP instruments and how could a comprehensive and modular government support network play a crucial role here for a more intelligent and easy use by internationally active SMEs?’
- **Sub-Research Question 3: Critical Success Factors**
‘Which factors affect SMEs' use of a comprehensive government support network that foster internationalisation? Why are these factors critical for SMEs' use of FTIP instruments offered by government organisations?’

2.5 Summary

This chapter contained a detailed presentation of the theoretical foundations of the research topic. The general basis for the internationalisation of SMEs has been derived, especially the barriers and the risks associated with internationalisation for SMEs.

In the area of institutional based views and the use of an institutional support network, numerous studies on SMEs have been carried out, but the aspect of a very narrowly defined government support network was not examined. Although there was some research on the role and benefits of government support in the literature, the concrete elaboration of a comprehensive and easy to use government support network was not represented in the literature.

In order to answer the research question ‘How can German SMEs use a variety of economic promotion programmes provided by government organisations’, a mixed method approach was chosen to elaborate more narrative research content. To specify this chosen approach and the underlying methodology fundamentals, both are discussed in the next chapter more detailed.

In addition, such a mixed method approach expanded research in the area of support schemes for the internationalisation of SMEs. The extensive literature research has shown that the main focus so far has been on quantitative approaches.

3 Methodology, Research Design and Research Methods

3.1 Introduction

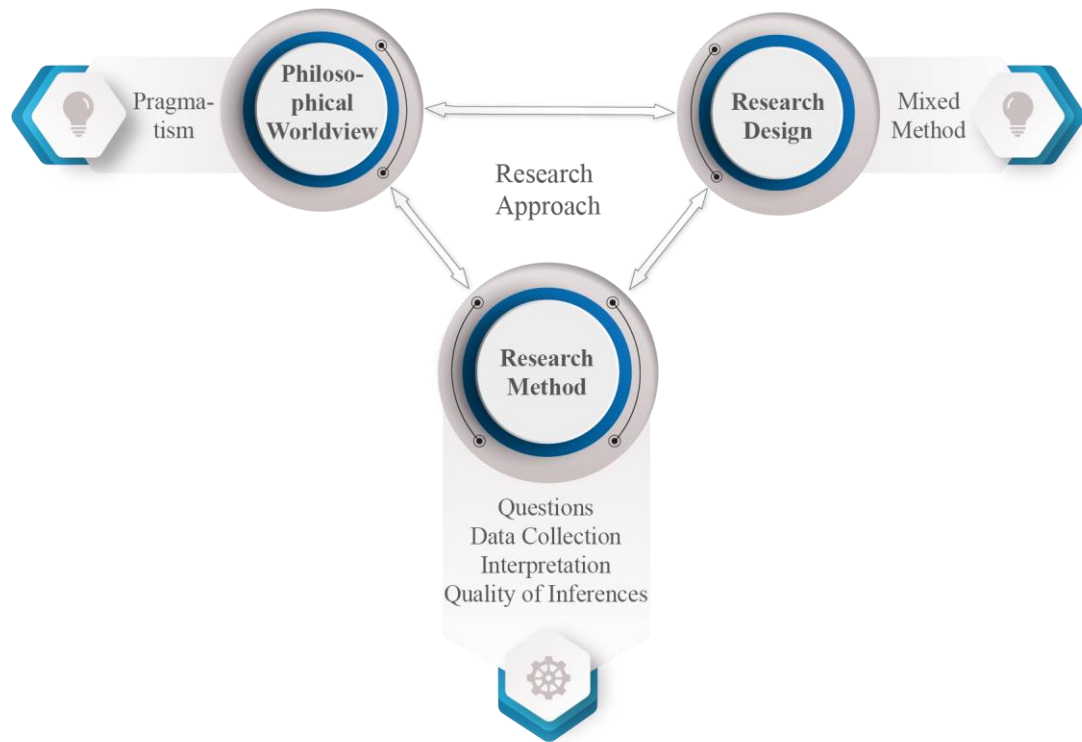
The previous chapter has substantially outlined the internationalisation of SME, relevant theoretical models for SME internationalisation within the institutional environment and the use of government support by SMEs. This extent literature review has identified four research gaps in the context how SMEs can comprehensively use a supporting government framework for their internationalisation.

This chapter takes up the research question and locates the research within the research approaches, that Creswell (2014, p. 3) describes as "plans and the procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation". Reviewing appropriate literature about research (methods), the decision about the appropriate research approach (qualitative, quantitative and/or mixed method approach) for the specific research question is based on three key topics: Philosophical assumptions of the researcher, research designs and research methods (Bryman & Bell, 2015; Collis & Hussey, 2014; Creswell, 2014). According to Kuhn (1970, p. 46), "scientists work from models acquired through education and through subsequent exposure to the literature often without quite knowing or needing to know what characteristics have given these models the status of community paradigms". Creswell (2014, p. 5) specifies that "researchers need to think through the philosophical worldview assumptions that they bring to the study, the research design that is related to this worldview, and the specific methods or procedures of research that translate the approach into practice".

Those key topics are accompanied by the nature of research problems, the personal research experience of the researcher and the research addressee. In consideration of the generally available research approaches and their peculiarities, the selection of the specific research approach for this study, a mixed method approach, is discussed. Each of the three key topics will be discussed, in each case a general classification will be made, followed by the reasons why the concrete form of the topic is chosen for this study.

Figure 8, based on Creswell's (2014) framework, already illustrates the chosen forms and the interaction between the different themes within the chosen mixed methodological approach.

Figure 8: Chosen Research Approach



Source: Adapted from Creswell (2014).

Additional to the three key topics the accompanied components are briefly discussed. The chapter is completed by considerations regarding ethical concerns, assessing and evaluation of inferences as well as the limitations of the research, that are partly based on the chosen research approach and the researcher's nature.

3.2 Philosophical Assumptions

The research philosophy that underpinned the study had a decisive influence on the entire study and the research process (Collis & Hussey, 2014; Creswell, 2014).

In the Oxford Dictionary of English, Stevenson (2010) describes research as "the systematic investigation into and study of materials and sources in order to establish facts

and reach new conclusions". However, it should be noted that "the exact nature of the definition of research is influenced by the researcher's theoretical framework and by the importance that the researcher places on distinguishing research from other activities or different types of research from other" (Mertens, 2010, p. 2). Collis and Hussey (2014, p. 43) precisely define that the researcher's philosophical framework "guides how research should be conducted, based on people's philosophies and their assumptions about the world and the nature of knowledge". This implies that the philosophical stance of a researcher was crucial for the selection of the mixed method approach for this research project (Creswell, 2014).

3.2.1 Philosophical Worldview

Researchers have concluded that there is no common and universally valid generic term for philosophical stances available. The frequently used terms are paradigm, worldview epistemology and ontology, as well as broadly conceived research methodologies (Bryman & Bell, 2015; Crotty, 1998; E. C. Guba, 1993; Kuhn, 1970; Mertens, 2010; Morgan, 2007; Neuman, 2014). Based on Guba (1993, p. 17), Creswell (2014) endorses the term (philosophical) worldview, that means broken down in a simply matter "a basic set of beliefs that guide action". Similarly to Creswell (2014), Morgan (2007) prefers the shared belief approach and defines a paradigm as common beliefs among the members of a specialty.

The philosophical worldview underlying a research project plays a central role in research because it has a significant influence on the understanding and interpretation of social reality. This fundamental view of the researcher forms the perception, understanding and structure of the entire research process. For the audience in particular, it is essential to understand the researcher's point of view and how his own influence guides and directs the research (Cohen, Manion, & Morrison, 2007). Since the researcher's view of life is influenced by a number of variables that shape his environment, experiences, belief system, and so on, it is assumed that his view of ideas, textual presentation, choice of methods, and analysis within a given paradigm is a product of the interpretation of the world around him (Oparaocha & Ricardo, 2011).

The philosophical worldview is defined by a researchers basic set of believes and assumptions (Bryman & Bell, 2015; Creswell, 2008; Lincoln, Lynham, & Guba, 2018): a) Epistemology, b) Ontology, c) Axiology, d) Methodology and e) Rhetoric.

Epistemological assumptions are "concerned with what we accept as valid knowledge" (Collis & Hussey, 2014, p. 47). A researcher determines for himself the knowledge that is considered valid in a search topic (Bryman & Bell, 2015). The importance of this determination clarifies the statement by Maynard and Purvis (1994, p. 10) about the philosophical assumption: "Epistemology is concerned with providing a philosophical grounding for deciding what kinds of knowledge are possible and how we can ensure that they are both adequate and legitimate". Crotty (1998) states that epistemology is closely linked with the ontology assumption, that "is concerned with the nature of reality" (Collis & Hussey, 2014, p. 47). Equally Crotty (1998, p. 10) defines ontology as "'what is', with the nature of existence, with the structure of reality as such". The further philosophical assumptions, axiology, methodology and rhetoric accompany epistemology and ontology in the set of philosophical stance. Axiological assumption is concerned with the "role of values" (Collis & Hussey, 2014, p. 48) and the researcher's attitude towards ethic (Lincoln et al., 2018). Furthermore, methodological assumption is associated with the process for studying the research topic (Collis & Hussey, 2014; Creswell, 2008). At least, rhetoric assumption deals with the writing language and the writing style (Collis & Hussey, 2014; Creswell, 2008).

On the basis of these assumptions, each of which can have very different characteristics, there are meanwhile various worldviews in social sciences available (Collis & Hussey, 2014). According to Creswell (2014) there are four worldviews, that are nowadays frequently discussed in the social science literature: (Post)positivism, constructivism, transformative and pragmatism.

The author applied the pragmatism worldview for his research, for what reason in the following chapter the pragmatism is discussed more detailed, accompanied by crosslink between the pragmatism and this research.

3.2.2 Pragmatic View

According to the authors' understanding, pragmatists apply that the world is no absolute unity (Creswell, 2014) and "pragmatism...arises out of actions, situations, and consequences rather than antecedent conditions (as in postpositivism)" (Creswell, 2014, p. 10). Many writers within the social science pursue the philosophical approach for pragmatism that it is crucial to focus on the research problem and to start from that point choosing the appropriate pluralistic approaches to find out as much as possible about the problem (Creswell, 2014; Morgan, 2007; Patton, 2009). This philosophical view, therefore, fitted explicitly to generate as much new knowledge as possible through a simple and coherent support network from the perspective of the enterprise. The use of different quantitative and qualitative research methods allowed to include different points of view and to analyse several data sources adequately.

Before the application of the pragmatic views for evaluating SMEs view on government support is manifested in detail in this chapter, a brief differentiation from other worldviews is made, as the pragmatism enables to combine ideas, advantages and approaches from other worldviews (Teddlie & Tashakkori, 2009).

Two of the most often discussed worldviews are (post)positivism and constructivism (Bryman & Bell, 2015; Collis & Hussey, 2014). The (post)positivism stance is assigned to the quantitative research approach that is focused on numerical data, whereas qualitative oriented researcher holds the constructivism as their philosophical basis for narrative data collection and analyses (Teddlie & Tashakkori, 2009).

A positivism view is that the belief about social observations is similar to physical researchers that treat physical phenomena: The researcher of an entity of social phenomena is absolutely separated from these entities (Johnson & Onwuegbuzie, 2004). Postpositivism is further concerned with "deterministic philosophy in which causes (probably) determine effects or outcomes" (Creswell, 2014, p. 7). The main target is to examine the causes, by forming a small set of the hypotheses and research questions. The basis of the postpositivism knowledge development is a carefully observation and analyse of the objective reality, in which the research starts with a theory, followed by data collection (observation or measure completed by participants) and build upon the analysis results, if necessary, make amendments to the theory (Creswell, 2014). Postpositivists

hold the opinion that the ultimate truth (different to the positivist stance) is not identifiable, what implies that the research is not universally valid and can be faulty. This is also reflected in the fact that the aim of the research is to identify an issue to reject a hypothesis, not to think about the hypothesis itself (Burbules & Phillips, 2000; Creswell, 2014). Furthermore, objectivity of the researcher is essential for the (postpositivism) study, which requires the researcher to apply appropriate procedures to ensure validity and reliability (Burbules & Phillips, 2000).

Oppositely, the (social) constructivism view is a much younger and totally different approach in comparison to the (post)positivism: A strong worldview shift. "Social constructivists believe that individuals seek understanding of the world in which they live and work" (Creswell, 2014, p. 8). The meanings the social constructivists build in the engagement are subjective and are based on social and historical/cultural norms that influence the researcher's life. In particular, the constant exchange and interaction with other individuals conducts to the subjective meaning development. However, the social constructivism view consists not only the own historical and social roots, but also the personal backgrounds of the participant they explore. Considering all this influencing factors, norms as well as values from both researcher and participants (individuals and/or groups), the main objective of a social constructivism originated researchers stance is to explore the meanings of individuals and/or groups and to deduce from the collected data a new theory. Consequently, the social constructivists collect data through open-ended question getting the best possible insight into the attitudes and thoughts of the participants (Creswell, 2014; Crotty, 1998).

As written above, the author pursued pragmatism for this research study, since it key points corresponds to the values and expectations of the author (Cherryholmes, 1992; Creswell, 2014; Morgan, 2007). Pragmatism is a relatively new philosophical stance in the 1980s/1990s and has his roots in works from Peirce, James, Mead, and Dewey as well further theorists as Murphy, Patton or Rorty (Cherryholmes, 1992; Creswell, 2014). In comparison to postpositivism and constructivism, arises with the pragmatism a new worldview within the social sciences (Collis & Hussey, 2014; Creswell, 2014).

It should be noted that there are also arguments in the literature that exclude the applicability of a mixed method approach due to the characteristics of the respective assumptions. First, the embedded methods argument that states that "research methods

are ineluctably rooted in epistemological and ontological commitments" (Bryman & Bell, 2015, p. 642). Second, the paradigm argument that includes the view that "epistemological assumptions, values, and methods are inextricably intertwined and are incompatible between paradigms" (Bryman & Bell, 2015, p. 642). Kuhn (1970) adds that paradigms are incommensurable.

However, as many other researcher who followed the pragmatism worldview, the author held the opinion that finally the mixed method approach is "both feasible and desirable" (Bryman & Bell, 2015, p. 643). In addition, the author also claims that the assumptions of various traditional paradigms are logically independent and therefore can be mixed and matched in varied combinations within a mixed methods research project (Greene, 2008).

Considering again the words at the beginning of the chapter, the pragmatism is characterised by the fact that pragmatism is focusing fully on the research problem and supports therefore optimally research into how German SMEs can make intelligent and comprehensive use of the diversity of the government's economic development programmes. Based on this premise, the further development and implementation of this research (research design, research methods) was always carried out with this overall research question in mind (Creswell, 2014; Morgan, 2007; Patton, 2009). As pragmatists are not specialised in "any one system of philosophy and reality" (Creswell, 2014, p. 11), the author used a mixed method approach in order to achieve the best possible answer to the research question with the respective strengths. Not only was the author free to choose his approach, but to solve the overall research problem he also had absolute freedom in the choice of methods, techniques and procedures.

Similarly, the pragmatism underlying the research is manifested in the author's view, that the world is no "absolute unity" (Creswell, 2014, p. 11), thus allowed the use of a mixed approach to answer the research question. In particular, with regard to the belief about the truth – oppositely to the positivist stance – the author endorsed the assumption that truth depends on the situation. "It is not based in a duality between reality independent of the mind or within the mind" (Creswell, 2014, p. 11) According to James and Kuklick (1981, p. 26), "the pragmatic method...is to try to interpret each notion by tracing its respective practical consequences". The characteristic of pragmatism is that the consequences are the crucial aspect, not the question about reality. In the same way, for this research it was not of interest which method or approach is closer to reality, the author applied

explanations and theories which were suitable for the in-depth research needs of SMEs (Cherryholmes, 1992).

Because pragmatism has driven the research, the application of the chosen mixed method approach, which allows the joint application of a qualitative and quantitative approach to analyse SMEs usage of government support, is manifested. Furthermore, the pragmatism legitimated the mixed method approach to carry out a detailed analysis of the enterprises and the offered government instruments, which led to a great gain of new knowledge.

Based on this conviction, the author claimed that pragmatism is particularly suitable for shaping and shaping the research design and research methods underlying this study. This pragmatism view inevitably led to an application of qualitative and quantitative research methods in a holistic mixed method approach. Since the pragmatism view gave the researcher absolute freedom in shaping the research in concrete terms, a prioritisation of the individual methodological approaches was possible and was also applied.

As outlined in the next specific section on research design, that was derived and closely linked to the research question, the emphasis of the research was on the qualitative research area. Nevertheless, as the research question was closely linked to an external context and represented a complex topic, the researcher was convinced that a common qualitative and quantitative approach was helpful to analyse SME support services in the best possible way and from different perspectives. As the research question concerned an intelligent and comprehensive use of promotion instruments for the internationalisation of SMEs, the combined analysis of internal and as well external influences was necessary. The mixed method approach was particularly suitable for including external factors of influence in the research topic, as it made this explicitly possible. Cherryholmes (1992, p. 14) states, "that scientific research always occurs in social, historical, political, and other contexts". Thus by research in a pragmatically view, an influence of external factors such as social justice or political aspects cannot be excluded (Cherryholmes, 1992).

A mixed methods study, as this study, that examined the SMEs view for a comprehensive supporting framework from a quantitative (postpositivism stance) as well as a qualitative (constructivism stance) approach led to a better understanding on how a comprehensive support framework for SME can be elaborated. The use of the multiple view approach ensured a solid data set.

3.3 Research Design

Once the researcher's worldview is identified, the research process continues with the concrete design of the research. It should be noted that the choice of methodology depended on the philosophical assumptions of the author (Collis & Hussey, 2014). The appropriate choice of a suitable research design that had an direct impact on data collection and data analysis was an absolutely central point in this study (Bryman & Bell, 2015; Collis & Hussey, 2014). The selection of the research design was definitely not made without considering the paradigm; it was developed as part of a coherent approach for this study (Collis & Hussey, 2014).

3.3.1 Research Designs

"Research designs are types of inquiry within qualitative, quantitative, and mixed method approaches that provide specific direction for procedures in a research design" (Creswell, 2014, p. 12). Generally, there are several mixed method designs available in the literature that represent strategies for research in general (Bryman & Bell, 2015; Collis & Hussey, 2014; Creswell, 2014). Before discussing the applied mixed method design for this research, a brief overview on qualitative and quantitative designs facilitates a better understanding of the mixed method design as the mixed method approach is a mix of both approaches.

Table 9: Research Designs

Quantitative	Qualitative	Mixed Method
<ul style="list-style-type: none">• Experimental Designs• Nonexperimental Designs, such as Surveys	<ul style="list-style-type: none">• Narrative Research• Phenomenology• Grounded Theory• Ethnographies• Case Study	<ul style="list-style-type: none">• Convergent• Explanatory Sequential• Exploratory Sequential• Embedded, Transformative, or Multiphase

Source: Adapted from Creswell (2014).

As shown in table 9 that is based on Creswell (2014), a quantitative research design that is attributed to postpositivism consists either an experimental design or a non-

experimental design. The first is designed to measure whether a concrete treatment has an effect on an outcome by using and comparing two different sample groups of which only one group is undergoing with the specific treatment. Within the experimental research, there are true experiments and quasi-experiments (Bryman & Bell, 2015; Collis & Hussey, 2014; Creswell, 2014). The latter, non-experimental designs, e.g. surveys "provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population" (Creswell, 2014, p. 13). According to Fowler (2009), survey research includes cross-sectional studies as well longitudinal studies. Cross-sectional studies are "used to investigate variables or a group of subjects in different contexts over the same period of time" (Collis & Hussey, 2014, p. 63), whereas longitudinal studies investigate variables or subjects over a longer time period (Bryman & Bell, 2015; Collis & Hussey, 2014).

In comparison to the quantitative designs, qualitative designs are closely linked to the constructivism worldview. Over the years, numerous qualitative inquiry approaches have been developed; one of them is the narrative research design, wherein normally the biographical aspects of individuals are in the focus and are examined through personal interviews (Creswell, 2014; Riessman, 2008). A phenomenological research design, on the other hand, is a philosophy and psychology based methodology and consists of mostly interviews in which study participants answer questions or report about their experiences with a specific phenomenon. All participants involved have in common that they have experienced the same phenomenon (Creswell, 2014; Giorgi, 2009; Moustakas, 1994).

The third qualitative research design is grounded theory that is rooted in the sociology (behavioural research in nursing) "in which there is joint collection, coding and analysis of data using a systematic set of procedures to develop an inductively derived theory about phenomena" (Collis & Hussey, 2014, p. 70). According to Bryman and Bell (2015), Creswell (2014), Glaser and Strauss (2017) and Silverman (2013), the process contains different stages. First, the collected data are illuminated by creating appropriate categories to cluster the data. Second, through the integration of many different scenarios the categories will be confirmed or revised with the result that a rule with great generality for a specific phenomenon is established. Another qualitative research design for inquiry is ethnography. This anthropology and sociology originated research methodology is used by researchers seeing and understanding the behaviour and thought of members from

specific group. Normally the researcher become part of the group, observe them and conduct interviews over a period of time (Collis & Hussey, 2014; Creswell, 2014). Case Studies are a fifth qualitative research design "in which the researcher develops an in depth analysis of a case, often a program, event, activity, process, or one or more individuals" (Creswell, 2014, p. 14). The collection of data takes place over a sustained period and consists the usage of various collection methods (Bryman & Bell, 2015; Collis & Hussey, 2014; Creswell, 2014).

The mixed methods approach is a relatively new approach with the first major works in the 1980s and is mainly used in combination with the pragmatism view (Creswell, 2014). The term mixed method research means any type of research that includes a combination of quantitative and qualitative research designs. In general, several justifications confirm the applicability and relevance of a mixed method design (Bryman, 2006). Despite this relatively short time since the emergence of mixed method research design, there are already different typologies of research designs available (Bryman & Bell, 2015; Collis & Hussey, 2014; Creswell, 2014; Teddlie & Tashakkori, 2009). Bryman and Bell (2015) summarised the most commonly typologies including three basic designs and in addition, three advanced mixed method designs:

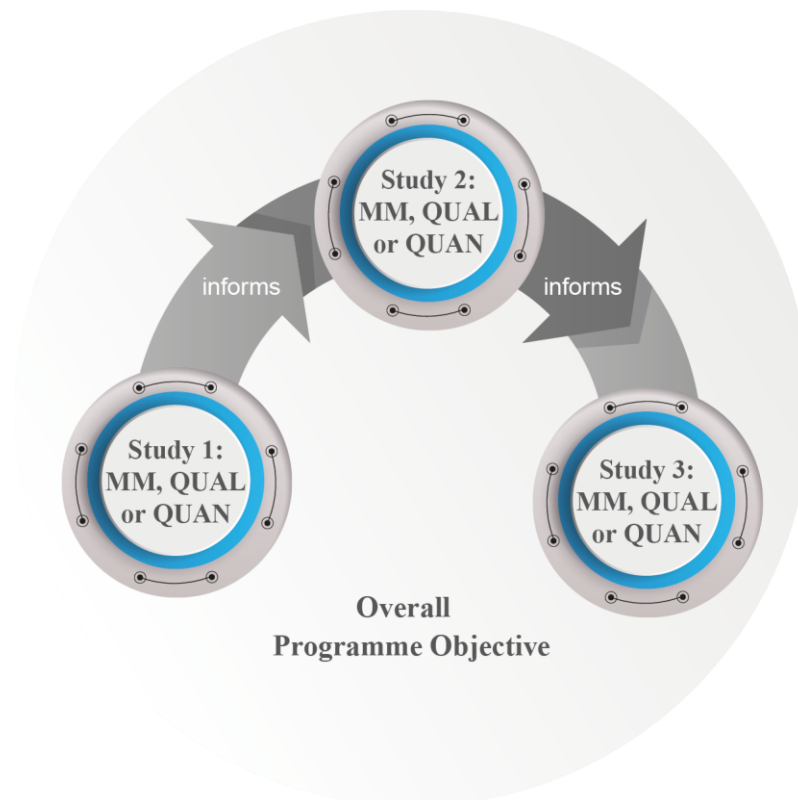
1. Convergent Parallel Design
2. Explanatory Sequential Design
3. Exploratory Sequential Design
4. Embedded Design (see figure 9)
5. Transformative Design
6. Multiphase Design (see figure 10)

Figure 9: Embedded Design



Source: Adapted from Creswell and Plano Clark (2018).

Figure 10: Multiphase Design



Source: Adapted from Creswell and Plano Clark (2018).

This set of typological approaches cannot be regarded as absolutely complete as to some extent it is necessary to extend or combine existing designs into a new mixed method design to address the research question best (Schoonenboom & Johnson, 2017). It can be stated that the researcher has to be flexible in creating the research design (Teddlie

& Tashakkori, 2009). The chosen design should be matched to the research problem and questions (Creswell & Plano Clark, 2011; Crotty, 1998; Ghauri & Grønhaug, 2010; Mason, 2011). In the end, the use of the mixed method design should lead to an increased knowledge and validity (Johnson & Christensen, 2017; Onwuegbuzie & Johnson, 2006; Schoonenboom & Johnson, 2017).

For this research, the author applied an embedded design with influences of the multiphase design. The embedded design "combines the collection and analysis of both quantitative and qualitative data within a traditional quantitative research design or qualitative research design" (Creswell & Plano Clark, 2011, p. 92), whereas a multiphase mixed methods research design, a rather newer approach, "examines a problem or topic through an iteration of connected quantitative and qualitative studies that are sequentially aligned, with each new approach building on what was learned previously to address a central program objective" (Creswell & Plano Clark, 2011, p. 100).

The following chapter, contains discussion and manifestation of the selected specific research design.

3.3.2 Research Design of this Research

For this study a mixed method design was chosen to achieve the preferred outcome and to find appropriate answers for the research question. Mixed method research deals with offset, completeness, process, credibility and enhancement (Bryman, 2006). Applying the mixed method design, the author was able to combine the strengths and weaknesses resulting from the respective approaches in such a way that the weaknesses are compensated and the strengths are highlighted. In addition, the application of a combined approach shows that the integrity of the results are increased (Bryman, 2006).

The central aspect of the selection of this research design was that the possibility was given to answer the research question adequately and thus to close the research gaps. Undeniably, the main research question was qualitative in nature. Likewise, all the sub-research questions derived from it, each of which contained the various individual research gaps. In answering the research questions, the research contributed to gaining new content on the question of how SMEs can better access government support for their internationalisation.

The specifically chosen mixed method research design ensured a qualitatively oriented research by focusing on the qualitative part. In addition, the quantitative part supported the whole research. Subsequently, the mixed method approach, which was composed of these different research methods, consisted of a purely qualitatively oriented main study part and a supporting, upstream preliminary study, which was divided into a quantitative and qualitative research part.

The main focus of the thesis was on the main study part, a qualitative case study. In principle, this qualitatively oriented case study method already provided the opportunity to adequately answer the sub-research questions and ultimately contribute to answering the main research question. In the case study, all research questions were examined and corresponding findings were derived, which were then discussed in relation to the existing research gaps. Already during the design of the case study, care was taken to ensure that the planned elements of the case study, such as semi-structured interviews, could address all research questions consistently, both technically and in terms of content, and were suitable for investigating the research gaps. Therefore the case study was designed as an explanatory study to develop a comprehensively framework based on the experiences and behaviours SMEs in the context of government support for internationalisation (Strauss & Corbin, 2003). Based on the findings of the case study research it was possible to gain the best possible understanding of the intelligent and comprehensively use of government support instruments within a unique government support network. Similarly, this qualitative approach enabled the relationships between SMEs and the various governmental organisations to be effectively investigated. In particular, the application of the case study allowed to obtain in-depth data on the different cases and to interpret them according to the underlying case characteristics.

As a supplement to the case study, and especially in preparation for the case study, this main study part was extended by an upstream preliminary study. Thus, the research was supplemented by a quantitative as well as a further qualitative research method. This combination is called nested arrangement from the point of view of case study research, where similar characteristics occur as in the approach chosen here (Yin, 2018). The purpose of this preliminary study was to establish a broad data basis and to develop the questionnaire for the semi-structured interviews on the basis of these identified aspects

within the government support for SMEs. As the literature review showed, the data base on government support for German SMEs was not particularly broad and up-to-date.

The upstream quantitative web survey also supplemented the knowledge particularly with regard to the first two sub-research questions. The questionnaire covered partial aspects of the interaction process and the associated phases of awareness, initiation, agreement and utilisation. Even though the questionnaire with its closed questions could not replace the open approach of the case study for the inductive research orientation, it complemented the findings of the main study. Furthermore, the web survey contributed to identifying elementary support instruments and evaluating their importance for SMEs. These required support instruments are an essential part of a modular support framework, which was explicitly discussed in sub research question 2.

The qualitative research in the preliminary study, a usability testing of the government's central funding database, did not support the answering of a specific sub-research question strongly, but rather supplemented the general prior knowledge relevant to the research. This approach had a positive effect on the main case study. As a side effect, it was also possible to include isolated side effects of the preliminary study directly in the overall discussion. In particular, it was relevant to investigate digital aspects for the design of an innovative government support network. As a side effect, it was also possible to include isolated side effects of the preliminary study directly in the overall discussion. In particular, it was relevant to the research to investigate digital aspects for the design of an innovative state funding network. A sound knowledge of the current digital solution was therefore necessary in order to be able to carry out an in-depth analysis in the case study research.

In sum, this preliminary study, a combination of quantitative and qualitative approaches, improves the mainly qualitative based results by building up further knowledge. This is also made clear in the chronological sequence, as important findings were already obtained before the case study was carried out. After the results of the preliminary study methods have been mentioned, a critical evaluation of the respective results with regard to the research question follows. On the basis of these aspects, implications were derived that were taken up in the case study. This addition made it possible to add data that would otherwise not be taken into account (Bryman, 2006).

Preliminary Quantitative Part: Web Survey

The web survey, as one typology of internet research methods, is based in the quantitative non-experimental research field. A web survey provided information on the quantitative and numeric characteristics of trends, attitudes and opinions of the SME population. These aspects were explored by using a sample representing the population. In this study the web survey provided data with regard to individual parts of the sub-research questions, which as a whole contributed to answering the overall research question. In particular, the advantages of a web survey in comparison to structured interviews had been decisive in determining why a web survey has been used. Cheaper and quicker administration, absence of interviewer's effect as well as no interviewer variability were important benefits that the author claimed for his research study. Web surveys can be conducted either offline as paper version or online as web variant. For this research a web survey was used, supported by the general advantages of a survey and the concrete advantages of a web survey. It should be emphasized that with the help of a web survey it was relatively uncomplicated and inexpensive to include a very large sample size from the population. Basic aspects that partly contributed to answering the research question of this study could therefore be answered on the basis of a very large number of cases in addition to the case study presented in the following. This represented as well the added value of a supplementary quantitative research approach. In summary, the preliminary web survey supported a broad view on relevant aspects of the internationalisation support for SMEs, what a government support scheme for SMEs should include and partly also served as a basis for the interview guide for the case studies.

Preliminary Qualitative Part: Usability Testing

A content analysis is "an approach to the analysis of documents and texts that seek to quantify content in terms of predetermined categories and in a systematic and replicable manner" (Bryman & Bell, 2015, p. 300). The online content analysis as a sub-unit of the content analysis, concentrated on the analysis of online materials and internet-based communication. This part of the research design also served as the basis for the following case studies. In concrete terms, this study used a usability testing for exploring the central funding database provided by the German Federal Ministry for Economic Affairs and Energy. The Federal Ministry for Economic Affairs and Energy is the supreme federal coordination body for federal related foreign trade and investment promotion. Usability is one of the most important success factors of various websites and software applications

and this could be analysed by using a specific method, a usability testing (Richter & Flückiger, 2010).

The aim was on the one hand to gain a better understanding of the online information possibilities of government support instruments. On the other hand, in the evaluation carried out, the target group of enterprises was taken into account and an analysis from this SME perspective was carried out. The aim was to identify further indications or weaknesses in the existing funding structure and then to derive implications for the further case study and the final discussion and conclusion, all under the aspect of how an easy to use and comprehensive government support network should look like.

The basis of the definitions of usability in the context of web applications such as databases is DIN EN ISO 9241, which deals with the topic of ‘Ergonomics of human system interaction’. For completeness and better comprehensibility of the terms, a short definition of the terms ‘Ergonomics’ and ‘Interactive Systems’ is given, since these are components of the DIN norm. Ergonomics, in general, is understood as the science of improving the interface between the human being and the system. The aim is to adapt the work situation to the user and not the user to the work situation (Tosi, 2020). Web ergonomics, in particular, aims at the human-oriented design of web pages or databases displayed in a browser or app (Balzert, 2004). An interactive system is the combination of hardware, software and/or services that receives input from a user and transmits output to a user. Usability is defined as the extent to which a system, product or service can be used by specific users in a particular usage context to achieve specified goals effectively, efficiently and satisfactorily (DIN EN ISO 9241-210:2020-03). DIN EN ISO 9241-11:2018-11 specifies these goals more precisely (Thommen, 2008):

- Effectiveness: Effectiveness is given when the user is enabled to achieve his goals accurate and complete.
- Efficiency: An interactive application is efficient if the effort put in of the user to achieve his set goal, in relation to accuracy and completeness.
- Satisfactory: Indicates the condition of the interactive application when the user is free from interference and has a positive attitude towards the use of the application.

Usability is divided into subjective and objective usability, since effectiveness and efficiency are objectively measurable, but satisfaction is subjective (Hassenzahl, Platz, Burmester, & Lehner, 2000; Sarodnick & Brau, 2011). This usability testing provided an increased level of expertise in digital aspects, which the author could use in the case studies and to answer the main research question in the meta-inference discussion.

Main Qualitative Part: Case Study

As Denzin and Lincoln (2018) states, case study research is one of the main research typologies in the qualitative research. Conducting a case study research, the focus is on explaining contemporary circumstances and describing social phenomenon in an extensive and in-depth manner (Yin, 2018). Through the cases studies it was possible to understand exactly this real-world case and to include various external factors that are directly related to the respective case of SMEs (Yin & Davis, 2007) . The case studies research was much better suited for this purpose than pure survey oriented research studies (Yin, 2018). An explanatory case study was additionally very suitable to answer the research question in this study, as it investigated 'how' SMEs can use governmental support. The case study was directly influenced and shaped by the theory of government support in internationalisation, which was elaborated in the extent literature review. The sub-research questions provided a clear framework for orientation within the implementation of the data collection (Yin, 2018).

In this study a multi-case approach was used, which defines the structure of the investigation, the comparison between cases and the identification of conclusions. Yin (2018) states, a main goal of "multiple case studies" is therefore the reproduction of similar cases. These enabled the author to analyse within and between different cases and to understand their similarities and differences. Different voices and views resulted from the different cases provided a significantly increased triangulation and a better understanding of the results. It also implied that different perspectives and sources of information (e.g. semi-structured interviews, documents) are used to study the research problem. In this study, different SMEs within Germany were therefore selected to ensure this multiple view and to obtain a more reliable result. The selection of the cases was made on the basis of defined selection criteria, which are explained in more detail below. In order to ensure the stability of the cases, care was taken to ensure that the sample criteria are analogous to the quantitative study.

Combination of Elements within the Mixed Method Design

In the concrete design of the mixed method approach, the typology that clarified the combination of both approaches was crucial to determine. As mentioned above, for this research the author chose a combination of an embedded and a multi-phase design.

The embedded design is characterized by its flexibility that "the collection and analysis of the second dataset may occur before, during, and/or after the implementation of the data collection and analysis procedures traditionally associated with the larger design" (Creswell & Plano Clark, 2011, p. 90). Furthermore, the purpose of use was particularly given as several research (sub) questions had to be addressed and different types of data were required to answer the research (sub) questions (Creswell & Plano Clark, 2011). The application of the multi-phase design with the purpose "to address a set of incremental research questions that all advance one programmatic research objective" was useful for this study as well. First, getting a broader insight of the challenges and the current situation of SME internationalisation in a preliminary study (web survey and usability testing) that had informed and influenced the second, following part of the research, the case study analysis (Creswell & Plano Clark, 2007, p. 100).

The research design resulted from the integration of four aspects (Creswell & Plano Clark, 2011): a) the level of interaction between the strands, b) the relative priority of the strands, c) the timing of the strands, and d) the procedures for mixing the strands.

a) Level of Interaction:

The level of interaction within the embedded design made it possible to link both data sets together and to create the framework and thus answer the research question (Creswell & Plano Clark, 2011). In this study, the qualitative and quantitative strands interact at different points in the research process, highlighted by the following three aspects.

b) Relative Priority of the Strands:

According to Morgan (1998), the decision about the weight is the dominant aspect in the selection process. In general, there are three different variants to choose from: Equal priority, quantitative priority and qualitative priority (Creswell & Plano Clark, 2011). In order to close the identified knowledge gap and taking into account that the aim was to develop a theoretical framework based on an in-depth knowledge generation, the emphasis of the work was on the case studies (Creswell & Plano Clark, 2007). An

inductive theory approach led to the fact that the findings were integrated into the development of the theoretical model. The pure application of quantitative methods was therefore not possible and furthermore, the focus had to be on qualitative research (Bryman & Bell, 2015).

Similarly, Paul et al. (2017, p. 338) suggest that

"such an approach is ideally suited to further explore new areas for potential theory-building on this subject. Given the challenge that secondary data is hard to come by for SME (in part due to lack of statutes that demand high quality reporting in the public domain and partly due to the reluctance of owners/entrepreneurs to disclose), qualitative methodologies are seen to be all the more pertinent".

Therefore, the use of an embedded design was particularly suitable because it gave the freedom to emphasis on qualitative research (Creswell & Plano Clark, 2011). In this study, the focus was on the qualitative research approach (case studies).

c) Timing of the Strands:

Generally the timing dimension is about the "temporal relationship" between the quantitative and qualitative approach (Creswell & Plano Clark, 2011, p. 65). More specifically, the timing decision is based on the use of the results from both strands and not only on the timing of data collection (Creswell & Plano Clark, 2011). Three different possibilities are available: Concurrent timing, sequential timing as well as multiphase combination timing, whereas in embedded design typically only the first two can be applied. For this research, sequential timing was used, as it gave the possibility to collect the data from the preliminary study parts first. This had the side effect that it was possible analysing already some data (Creswell & Plano Clark, 2011). This question was also closely related to the aspect to come, since this preliminary evaluation already influenced and extended the author's knowledge. The subsequent execution of the case studies was therefore already partially influenced, since first clues from the web survey and the usability testing were already anchored with the author's knowledge.

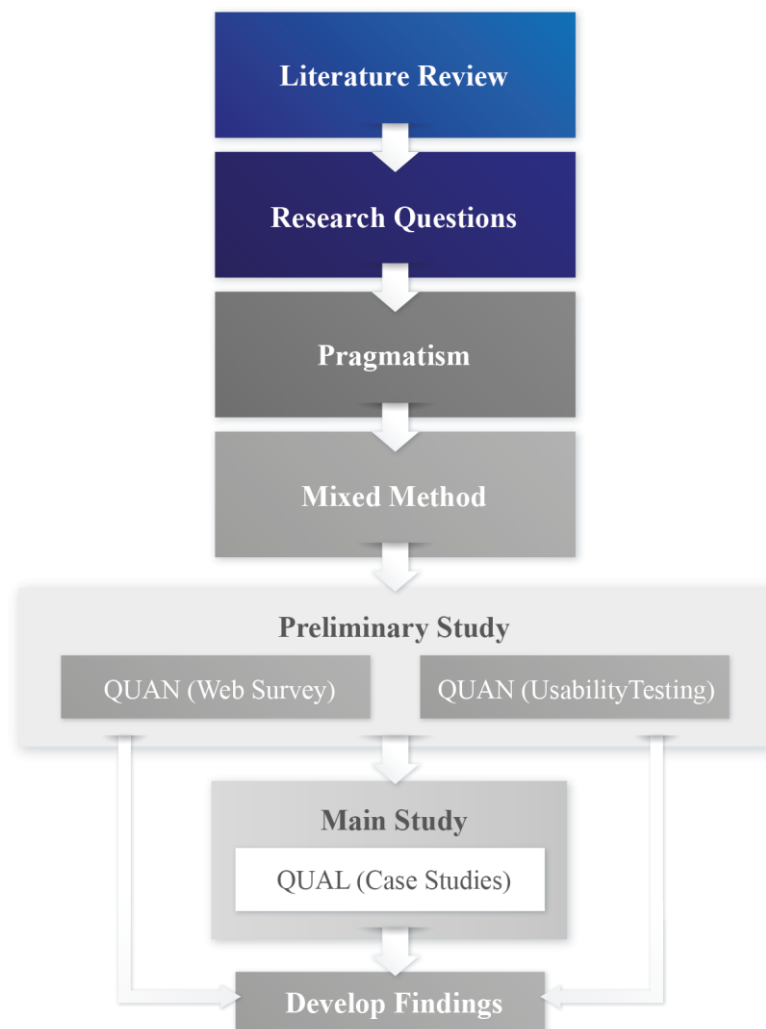
d) Procedure for Mixing the Strands:

Lastly, the procedure for mixing the two strands was based on the decisions about the primary point of mixing and the mixing strategy (Creswell & Plano Clark, 2011). The primary point of mixing occurred already during the design phase that was connected with the strategy to embed the supplementary quantitative strand to the qualitative strand.

Already at the planning stage it was necessary to consider at which points the two strands would interact and what kind of impact this would have on the strategy. The additional multi-phase design in particular made it clear that the mix took place at two points in the further execution. On the one hand, all findings were combined in the overall discussion and conclusion section, on the other hand, initial findings from the preliminary study already influenced the case study (Creswell & Plano Clark, 2011).

Figure 11 provides an overview of the selected research approach. The chosen methods are explained in the following chapter.

Figure 11: Chosen Research Design for this Research



3.4 Research Methods

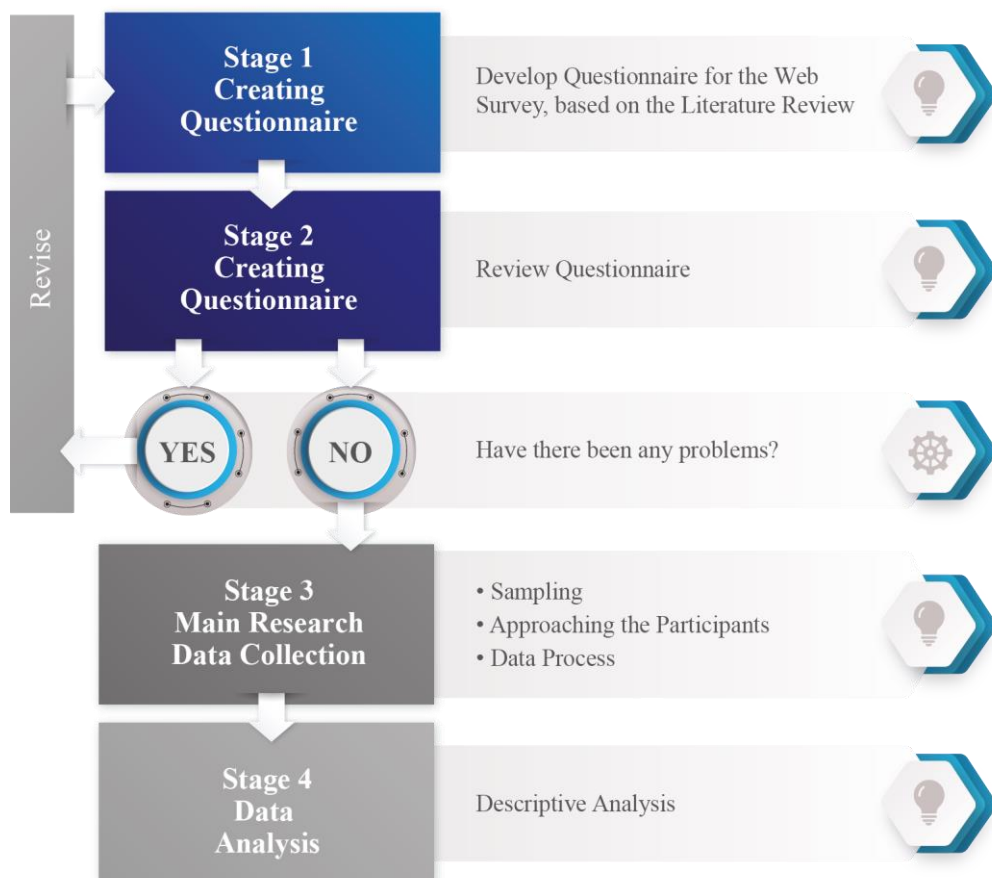
According to Bryman (2006), a research method is defined as the technique used to collect data in the research process. In the following chapter, the applied research methods are clarified and explained. It provides an overview about the preparation of the web survey, the usability testing, and the case study.

In order to avoid misunderstandings, the step of data collection and the implementation of the research methods was carried out in German. In this way, potential language barriers due to lack of language skills in the surveyed enterprises could be eliminated.

3.4.1 Web Survey

The process of the web survey was divided into four different stages (see figure 12).

Figure 12: Web Survey Process



3.4.1.1 Creating and Reviewing the Self-Completion Questionnaire

The web survey was conducted using a self-completion questionnaire (see appendix 1). The questionnaire was basically designed considering the research problem and the (sub-) research questions. Already during the creation of the questionnaire it was important to make sure that it included the relevant basic features of a good questionnaire (Bryman & Bell, 2015; Creswell & Plano Clark, 2018). The layout of the questionnaire was basically determined by the web survey tool LimeSurvey. However, the author was able to adapt it explicitly to the needs of this study, as the version of the web survey tool used was designed exclusively for this study and was stored on a private university server. Thus a clear presentation and a uniform structure to reduce confusion throughout the whole questionnaire could be guaranteed.

In principle, only closed questions were used to make it easier for the respondents to answer. Care was taken to formulate the questions in an appropriate manner; they were precise, understandable and as complete as possible. However, as the closed questions implied that all answer categories were already given, a section *Other* was used for some questions, so that the respondents had the possibility to indicate different answers if necessary. Both vertical and horizontal closed answers were used, depending on the type of question and the possibilities offered by the web survey tool. For the horizontal closed questions the type of the Likert scale was also used in some cases. In addition to vertical and horizontal closed questions, matrix questions were also used, which at first glance may looked more complicated, but finally reduced the length of the questionnaire considerably. Each question was provided with a clear instruction so that the respondents knew how to answer the question technically. The distinctive functions of the web survey tool supported this as well, as clear rules for answering could be set in the backend system (Bryman & Bell, 2015; Creswell & Plano Clark, 2018).

The content of the questions was designed to answer the research question. In addition, the questions were also inspired by a questionnaire from an older study on the internationalisation of SMEs in Germany from 2013 (Kranzusch & Holz, 2013). However, the basic difference is the explicit subdivision between export activities and FDIs. This distinction was not made in the other study, where both foreign activities were subsumed under the term internationalisation. Due to the advantage of web surveys, a filter function could be used in the design of the questionnaire so that enterprises only had

to answer the questions that are relevant for them. This feature was used at various points in the questionnaire to simplify the operation, reduce the response time and thus also reduce the drop-out rate during the answering process. The number of questions has been determined as follows, that the answering of all questions could be completed in a maximum of 15-20 minutes, which was also tested in advance. Care was also taken to ensure that the questionnaire content was checked by independent experts such as the supervisors.

3.4.1.2 Data Collection

Within the data collection process, decisions concerning population, sampling, access to participants as well as further processing of the data have been made which had a significant impact on the further research.

Sampling

Unquestionably, in quantitative research it was indispensable to form a sample from a population that represented a subset of this population. Concerns about sampling was a key decision in the research process since a full survey was not feasible for practical reasons (high expenditure of time and money) (Bryman & Bell, 2015).

The selection of enterprises for the study, which was carried out within the framework of a non-probability sample, depended on a subjective selection based on defined criteria. A selection of typical cases was made, which were deliberately chosen in order to answer the research question and to achieve the goal of the dissertation, namely to understand the perspective of SMEs, how an intelligent and comprehensive use of governmental support for internationalisation should look like. Even if, due to the chosen selection procedure, an absolute generalisation of the findings to SME was not possible compared to random selection procedures, important findings could be made. This has also been shown by the sampling in the qualitative area, since the same selection procedure was also applied there. The aim of this study was not to identify generalizable findings by mathematical-statistical methods but to develop a theoretical framework based on in-depth meanings, which was very well given by this selection procedure (Bryman & Bell, 2015; Creswell & Plano Clark, 2018).

Concrete, the population for the present study consisted of SMEs based in Germany. As already mentioned, the distinction between SMEs and large enterprises was based on the definition of the EU in order to ensure comparability within Europe. This definition is also used in many other countries. Due to the different relevance of different economic sectors in the field of internationalisation, only those SMEs that were located in the economic sector "manufacturing", i.e. production of goods, were selected and the remaining economic sectors were excluded. This is due to the fact that the focus of economic development is predominantly on these enterprises and that they show the most pronounced degree of internationalisation. The addresses derived from the MARKUS database of the Creditreform information company. The database contained information on a total of 2.2 million enterprises in Germany, Austria and Switzerland. It should be noted that although the database included the majority of all enterprises in Germany, a minority of especially SMEs was not represented, since some very small sole proprietors and freelancers do not have to register in the commercial register.

The selection criteria for the sampling are summarized here once again:

- Location: SME based in Germany
- Employees: 1-249 employees
- Turnover: Maximum of 50.000.000 €
- Economic Sector: Manufacturing
- Export Rate: Minimum of 1%

In summary a sample group of 19.475 SMEs was identified and included in the web survey study.

Approaching the Participants

The enterprises were contacted via the general email address of the enterprises, which are available in the MARKUS database. The SMEs within the sample were sent the email concerning the request for participation on three consecutive days. Due to the high number of emails and a limitation by the web survey tool and university servers, the emails could only be sent directly from the web survey tool step by step. The complete administration was done using the web survey tool.

As with many research projects, access to the enterprises and respondents in particular was very difficult, as there is often insufficient motivation to participate. In particular, the

two-stage access to the respondents already posed a difficulty, as no personal contact details of the respective responsible persons in the enterprises were known. Nevertheless, there were 665 SMEs that participated in the survey, which corresponds to a return rate of 3.31%.

Data Process

The data processing stage concerned the transfer from the web survey tool LimeSurvey to a statistical tool. For this study, SPSS was applied that is a special program for statistical analysis. Due to the various export functions of the web survey tool, the data did not have to be processed further before transfer.

The quality of the data was checked and adjusted after the recording. This led to a further slight reduction in the data set, but the data quality increased significantly. After the recording, the coding had to be changed and adapted manually in some places. This also ensured that the data was checked again for correct transmission. Eleven questionnaires had to be deleted because the selection criteria for the sampling group no longer applied. Furthermore, those returns were sorted out for which the enterprises had started the web survey but had not sent it and had not completed it. The dropout rate within the study was within an acceptable range and in particular the positions where the dropout occurred did not suggest any particular content-related dropout causes. There were 149 drop-outs, 115 of which were in question group 1 and 2, and thus right at the beginning of the survey. In the case of drop-outs directly at the beginning of the study, it can be assumed that the drop-outs were non-selective and can therefore be regarded as unproblematic (Thielsch, 2012). A further 20 drop-outs took place on the last step of the web survey, where general information on the enterprise, such as turnover, size of enterprise, house bank, location of the enterprise (federal state) was to be given. Here, the type of questions that were slightly more company-specific may have led to a drop-out, even though the participants were assured before the start of the survey that all data would only be recorded anonymously. It was not possible to draw conclusions about a specific enterprise.

For this purpose 3 data sets were deleted, which had been sent but did not contain any further data. Finally, 46 questionnaires were eliminated again, as the enterprises had indicated that they had no international activities. As this was also a predetermined criterion, they were also excluded, resulting in a final number of 456 questionnaires.

3.4.1.3 Data Analysing: Descriptive Analysis

To analyse the data from the quantitative study, descriptive analysis was used to get an overview of the data set. It allows to describe the central tendency, dispersion and distribution of your sample. It also included the creation of graphs and tables. Analytical methods of inductive statistics were not used because the research question does not require this specific information. As already discussed, the research question did not contain any hypotheses, as the research question is of a qualitative nature. Furthermore, the questionnaire was not explicitly geared towards analysis using inductive analytics methods.

3.4.2 Usability Testing

In addition to the web survey, the online content analysis in the form of a usability testing completed the preliminary research part of this study. In connection with the term usability testing one usually thinks of the classical test methods like the usability test in the laboratory with test persons. However, the toolbox of a usability specialist offers far more methods, quantitative and qualitative, that can be used depending on the question, target group, context, type and development status of the test object. Design guidelines, formal-analytical procedures, inspection procedures or even questionnaires are further concrete usability evaluation methods (Sarodnick & Brau, 2011).

For this research an inspection procedure was applied, more precisely the heuristic evaluation. In practice, this procedure is often called expert evaluation, because experts with experience and knowledge in the field of software ergonomics systematically examine interactive applications for usability problems. Depending on the specific investigation approach, an expert investigation is carried out by experts. In this research, the expert evaluation was performed by the author as part of the preliminary evaluation and served as a broad basis for further analysis and the meta-inference. For the process of the usability testing see figure 13 below.

Figure 13: Usability Testing Process



3.4.2.1 Introduction to the Investigation

A general introduction to the method, the object of investigation and the search criteria was given before the actual evaluation was performed. The aim was to sensitise the evaluator (the author) to the scope of application by creating a basic understanding of the users' everyday work tasks. In this research approach it was sufficient to know what kind of work tasks are basically available and what purpose they serve (Sarodnick & Brau, 2011). No further specifications for the procedure were imposed, it was only determined that the relevance lies in the number of usability problems to be found.

3.4.2.2 Heuristic Evaluation

Inspection of the system by the expert who ideally has experience both in usability tests and as a subject matter expert for SME internationalisation support, since these combination contributed to a successful detection of usability problems. The duration of the evaluation depended on the complexity of the funding database, three independent evaluation rounds were conducted, normally it is recommended to conduct at least two

evaluation rounds. This repetition of the evaluation had supported a preferably complete and analytical survey of the problems, which then contributed to a later elimination of the issues. Of particular importance is that this step was seen and performed completely detached from the later analysis. A decoupling of these two processes led to an improved result, since the focus was always on an isolated evaluation step. Furthermore, it was also avoided that the evaluator only uncovered problems for which he already had solutions in mind (Sarodnick & Brau, 2011). The principles of dialogue design were taken into account in the evaluation (DIN EN ISO 9241-210:2020-03; Sarodnick & Brau, 2011): Appropriateness of tasks, self-descriptiveness, conformity to expectations, ease of learning, controllability, error tolerance, individualization, process adequacy, system and data security as well as perception control.

It should be noted that these criteria of dialogue design are direct suggestions for the ergonomic design of interactive systems, but are no general binding guidelines. Instead, they served as a framework that allowed the author a certain amount of freedom of action (Sarodnick & Brau, 2011).

3.4.2.3 Evaluation and Categorisation of all Found Notes

Normally, due to this clear division of the evaluation steps, an evaluation and categorisation of the usability problems follows. This should enable a prioritisation and ranking of the usability problems in order to be able to solve them analogous to the ranking. A frequently used catalogue of criteria was developed by Nielsen (1994), which specifies the following criteria: "frequency of occurrence", "influence on work processes", "persistence of occurrence" and "market influence". The evaluation of the individual factors is carried out individually and is then combined into an overall assessment for each usability problem. It is important to note that the evaluation should be done with all due care. The intensity of each usability problem is evaluated on a five-tier scale from 0 (no usability problem) to 5 (usability disaster) (Nielsen, 1994).

In this research, exact prioritisation according to intensity has been omitted, since the results of the usability study were only intended as a preliminary study and provided basic results of the currently available information medium, the funding database.

3.4.2.4 Debriefing Session

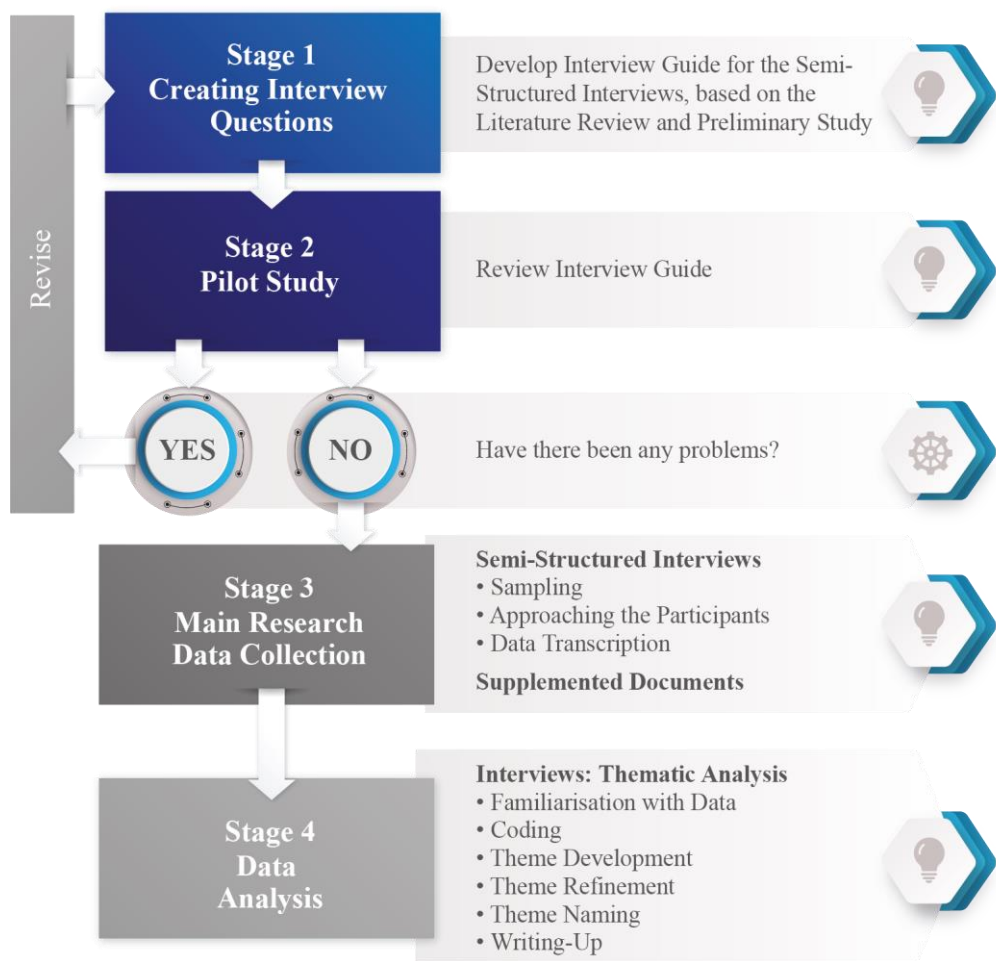
The debriefing session was the final step for developing solutions to the usability problems. Normally, not the expert, but also the client and a representative of the development team should participate in this session (Sarodnick & Brau, 2011). In the present study, this step took place in a slightly modified form, since the information about the usability problems of the subsidy database flows into further research, the case studies.

3.4.3 Case Study

The main research of the mixed method approach took place as a qualitative research approach in the form of a case study. This main study part aimed to analyse SMEs individual FTIP experiences and needs. Analysing these experiences and insights by adopting a qualitative based study approach such as a case study, it was guaranteed that extensive knowledge about the research question could be drawn, since semi-structured interviews in particular contained a very intensive and distinctive information content. The main focus of the case studies was on the semi-structured interviews, which were supplemented with further case study relevant information such as company reports, public reports and other website information.

The interview has established itself as one of the key methods in qualitative research and is used by many researchers. Depending on the research question and research approach, interviews were the right way to determine and collect the relevant data. A good quality of case studies and especially of interviews required a high degree of detailed and rigorous planning. The following chapter provides details on how the case study investigation was conducted and specifies aspects such as interview guideline, pilot study, main data collection and data analysis. On the basis of the assumptions and procedures already made, figure 14 resulted, which includes the clear structure for the research.

Figure 14: Case Study Process



3.4.3.1 Case Study Approach

Before discussing the various stages within the case study research, a more general consideration of the chosen case study approach is given at this point. As already described in the research design section, the case study will be a multiple case study approach to develop a framework that enables SMEs to use government support instruments easier. This multiple case study approach supported the research by providing robust and compelling findings on the support needed by SMEs (Yin, 2018). Derived from the research gap and the research question, the case study was designed as an explanatory study to explore how German SMEs can use economic promoting programmes provided by government.

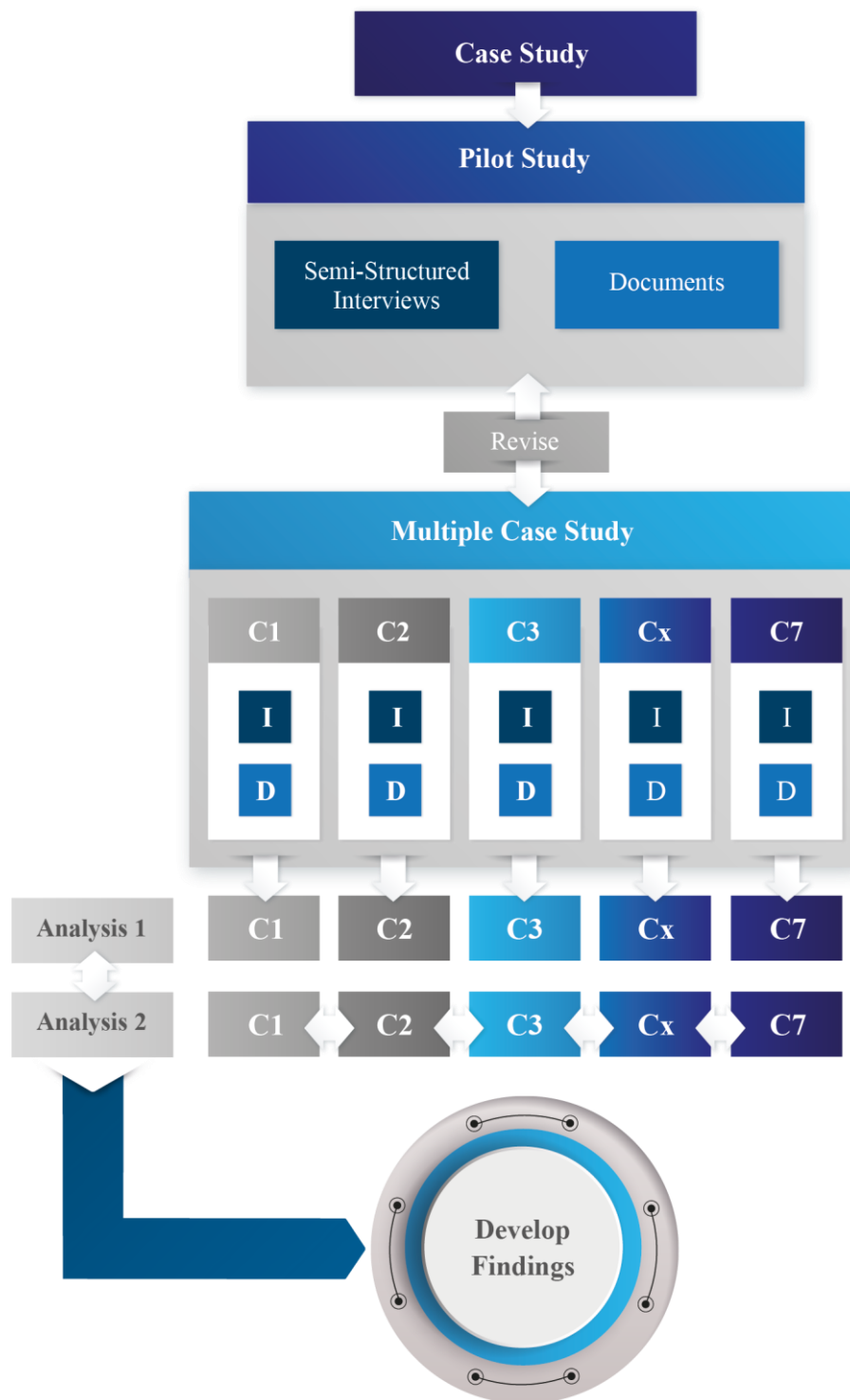
Figure 15 shows the chosen case study research design in a more detailed version, which includes the logical plan to reach the findings from the starting point of the research question.

According to Yin (2018), for this research eight cases were selected for the research to analyse how SMEs can use, including one case as a pilot study. The purpose of the pilot study, as described in more detail in the following chapter, was to test the approach and the questionnaire for the semi-structured interviews and to check for weaknesses. The chosen number of cases was sufficient to predict appropriate findings.

Each enterprise was considered as a separate case, even though each of the enterprises had to meet the same basic sampling criteria. However, as each of the enterprises differed from the other enterprises in the way they conducted their (international) business and in the structure of their organisation, the multiple case study approach was chosen. Each enterprise acted in its own context, even if superordinate findings were sought and analysed. The experiences, needs and ideas for an easily and comprehensively usable government support framework, which resulted from the semi-structured interviews, always referred to the respective enterprise and did not only reflect the personal opinion of the interviewee. Consequently, each case stood on its own, even though a cross case analysis of the semi-structured interviews was carried out using the thematic analysis method. Supplementary documents, such as reports from the Federal Gazette, from the company's website or other internal documents, were used to supplement the statements of the interviewees when considering the individual cases, if they were relevant. This data source was also used to create a short profile of the enterprises analysed, which is presented at the beginning of chapter four.

On the basis of this cross case analysis, findings were then derived, which in turn were incorporated into the meta-inference of the mixed method study, in which a discussion took place with regard to the literature on which the work is based.

Figure 15: Multiple Case Study Approach



3.4.3.2 Preparation

An important part of the preparation was the preliminary research already described in the previous chapters. The results and implications of the preliminary study complemented the conclusions drawn from the literature review and related unclarified questions. This strategy resulted in a comprehensive but semi-open interview guide for the semi-structured interviews. This chosen procedure for developing the interview guideline for the semi-structured interviews had two major benefits and strengths. On the one hand, the previous knowledge gained from the web survey with regard to the experiences of the relevant target group was already integrated into the questionnaire. This ensured that not only the view of the researcher based on the literature review was taken into account in the preparation of the interview guide, but also initial opinions of the SMEs. On the other hand, the type of interview as the main investigation approach within the case studies. The semi-structured interview as emergent design gave enough flexibility to react flexibly to changing aspects within an interview. The data collection within the semi-structured interviews could be modified at any time in order to get the right information and had not to follow exactly the outlined schedule. However in each case all ready before specified questions were queried, the resulting demands and open aspects supplemented thus the questioning (Bryman & Bell, 2015; Creswell & Plano Clark, 2018).

Although it is not absolutely necessary that the interview guideline comprises written words the developed interview guide contained concrete, fully written questions. This approach strengthened the research results, as the data and research on dependability was strengthened (Bryman & Bell, 2015). Based on the above mentioned sources for creating the interview guide, the draft interview guide included 18 questions (partly with sub-questions) in total, so that it was guaranteed that the interview would not last longer one hour, but there was still enough time to take advantage of the flexibility of the semi-structured interview and to extend the planned interview time if necessary. The number of questions was also discussed with the supervisor team who, from their own academic science experience, gave an indication of the correct number of questions. Even though the mixed method approach was designed in such a way that parts of the preliminary study already provided interesting findings and conclusions on the first sub-research question in particular, this sub-research question was also included again in the

questionnaire for the semi-structured interviews. This served to fully integrate the research questions into the case study, but also as a loose starting question for the interview, which explained the framework conditions for the current use of the funding programmes by SMEs. Consequently, the main focus was on the answers to the other sub-research questions, in which the detailed explanations of the reasons, opinions and views of the individual enterprises were particularly relevant.

3.4.3.3 Pilot Study

After the interview guide was derived in the first step, the interview guideline was subsequently checked by adopting a pilot study. This was an essential step in relation to the subsequent main data collection phase. In theory, this intermediate step would not be necessary, but it had become an integral part of qualitative research. As this was the last opportunity before the following main data collection, it was of special importance and a crucial step. Researchers conclude, that no matter how much care the researcher has put into the development of the interview guidelines, it cannot be ruled out that the explicit target group may have problems in understanding and answering the questions for various reasons, such as unclear question formulation (Bryman & Bell, 2015; Creswell & Plano Clark, 2018).

As a pilot study for this research, an enterprise was selected that is located within the target group described in the following chapter of the explanation of the main data collection. Since the target group was very homogeneous in relation to the sample criteria, all enterprises are in the same industry sector, the pilot study was conducted with only one company. The selected enterprise was contacted by email and asked whether participation was desired. In addition, it was asked who the relevant contact person for the interview was. Within the enterprise the semi-structured interview was conducted, as planned for the main data collection, with a CEO/top-level manager who has the required knowledge and experience in the research area. The interview was conducted by phone and recorded by a dictation machine, supplemented by notes during the conversation, in order to allow thematic jumps back to previously discussed topics during the conversation. After finishing the questions, the interviewee had the possibility to make comments and suggestions for possible improvements of the semi-structured interview. He was even actively encouraged to give a comment. After conducting the pilot study

interview, the collected data was transcribed and imported into the appropriate software NVIVO, analogous to the normal procedure of the main data analysis. In addition, the chosen analytical method was applied and tested whether it is suitable for the present research project. A thematic analysis was applied. In addition, this made it possible for the author to reapply his previous knowledge of this data analysing procedure and to familiarize himself with the procedure again.

In the run-up to the interview a comprehensive analysis of the enterprise with regard to its international activities was conducted, based on information available on the internet, in trade magazines, in newspaper articles and in the electronic Federal Gazette. The special character of these supplementary documents was that they have not been explicitly produced at the request of the researcher but have already been published in another context.

These already published documents were used on the one hand as preparation for the interviews, in order to have already in-depth previous knowledge about the case and to be able to ask directly for various interesting questions. On the other hand, the information derived from the analysis of the other documents was used with regard to the specific research question. Overall, this data from the various documents served as a supplement and extension of the primary data collected in the semi-structured interview.

In addition to reviewing the interview guidelines and double-checking supplemented documents, the pilot study was followed up by an evaluation of whether relevant aspects of the study organisation, such as the duration of the interview, the technical stability of the interview and the recording equipment were appropriate or functioning properly.

The results of the pilot study offered the opportunity to achieve an increased justification of the qualitative research and thus the entire research work. Researcher state that it is common practice in qualitative research, and in particular a significant advantage for qualitative research, that qualitative research in itself embodies a dynamic and flexible process, whereby the fundamentally planned research processes can be readjusted if necessary (Denzin & Lincoln, 2018; Mason, 2011).

Based on this pilot study, the following concrete aspects were revised or confirmed for the subsequent main study.

First, it was confirmed that the wording of the questions had been sensibly chosen from a content point of view and that the interviewee was able to answer the questions in a targeted manner. In general, he was neither over nor under challenged by the questions. The pilot study also revealed that the questions chosen had interesting aspects with regard to the governmental support of the internationalisation of SMEs.

Second, the implementation of the pilot study and the agreement of the further semi-structured interviews showed that it was difficult to obtain the planned interview time of approximately one hour from all the enterprises surveyed across all cases. Background is the very limited time of the CEO/top-level managers of the SMEs, but not the general willingness to participate. For this reason, a small reduction in the number of questions was carried out in the run-up to the pilot study, resulting in a number of 15 questions (see appendix 2). If there was more time available, the form of the semi-structured interviews left enough leeway to use the available time flexibly with further questions resulting from the interviews. Questions were edited, which could also be illuminated with a further analysis in advance on the basis of available documents. Central questions were not deleted. In addition, across all the semi-structured interviews it was shown that the duration of the interviews had no negative influence on the attention span of the interviewee, as there were no negative signs of this.

Thirdly, it has been shown that the data situation of the additional documents is likely to vary from one enterprise to another. Internal and external documents and reports were not available in standardised form, but were supplemented according to need and availability. It also became apparent that an analysis could be carried out sufficiently with the available documents.

Fourth, the sample analysis of the pilot study data has shown that the selected thematic analysis is suitable and can also be used for the main data analysis.

3.4.3.4 Data Collection

As discussed in the previous chapter, a pilot study was conducted to refine and optimise the interview questions and test their applicability. In particular, potential problems in answering the questions and the length of the interviews were examined.

This pilot study had a significant impact on the reliability of the research by testing the reliability of the questionnaire and in particular the data collection step. In addition, the data analysis technique was tested on a small scale for adequacy and applicability. Analogous to the pilot study, the main data collection is also conducted with a strong focus on the semi-structured interviews, as again, semi-structured interviews were ideal for exploring the background of specific SME needs. In the following, it is explained in detail how the sampling, participant approaching, the various data collection methods and data analysis will be carried out for the main study part of the case study research.

Sampling

Just as in quantitative research, sampling plays an important role in qualitative research (Creswell & Plano Clark, 2018). In a mixed method research, which includes both quantitative and qualitative research, it is therefore necessary that sampling is taken into account in the planning of the research. Sampling refers not only to individuals but also to relevant organisations that are part of the research (Bryman & Bell, 2015). In order to ensure a uniform procedure so that the findings of the various research approaches within the mixed method approach could be brought together in the meta-inferences phase, the selection of enterprises for the case studies is essentially analogous to the selection of enterprises for the qualitative web survey. For the pre-selection the same database was used as well as the same search criteria.

The selection criteria for the sampling are summarized here once again:

- Location: SME based in Germany
- Employees: 1-249 employees
- Turnover: Maximum of 50.000.000 €
- Economic Sector: Manufacturing
- Export Rate: Minimum of 1%

As in the quantitative study, a sample group of 19.475 SMEs could be identified from the database. Other enterprises that met the criteria but were not included in the database for unknown reasons were also selected as potential cases. This large number of potential enterprises meant that a further selection and associated reduction of enterprises had to be made for the case studies. Strict application of the selection criteria ensured that the selected enterprises were all eligible to have access to the widest possible range of

organisations from the government support network. As each enterprise differed from the others in specific ways despite common criteria, the individual selection of cases ensured that many different perspectives were included in the research. This research revolved around individual funding for enterprises by various institutions and in order to gain a deeper understanding of this question, it is obvious that an overly large sample in the case studies was not absolutely necessary (Bryman & Bell, 2015; Creswell & Plano Clark, 2018). Finally, a purposive sampling was used for the further case study research sampling (Bryman & Bell, 2015).

As mentioned above, the total sample size for the case studies was set at eight, including the pilot study, which could also be used for the overall analysis. This has been possible because the review of the pilot study has shown that only minor changes need to be made before the main data collection can begin. As a result, seven further case studies were carried out as part of the main data collection in addition. The appropriateness of the number of case studies, which was already manifested in the pilot study, was also supported by the literature on thematic analysis. Braun, Clarke, and Weate (2016) note in an article about thematic analysis that a sample size of eight cases is sufficient for the cross interview analysis. Onwuegbuzie and Collins (2007, p. 289) argue similarly: "In general, sample sizes in qualitative research should not be so small as to make it difficult to achieve data saturation, theoretical saturation, or informational redundancy. At the same time, the sample should not be so large that it is difficult to undertake a deep, case-oriented analysis."

Theoretical sampling was also kept in mind during planning, as a complementary alternative so that if the data collected from the planned case studies would have not been sufficient, the database could have been expanded by adding further interviews respectively cases. Theoretical sampling is a quantitative data collection until a theoretical saturation is reached (Bryman & Bell, 2015). In this case, however, the originally planned case studies were sufficient, particularly as the pilot study could be used as well.

Following aspects defined the further sampling process for the selection of the enterprises, whereby the greatest possible care was taken to ensure that the enterprises serve the purpose of the research and make the best possible contribution to answering the research question(s). The selected enterprises should above all be relevant and able to provide valuable content about their internationalisation activities. In addition to the

criteria already mentioned above, particular attention was paid to the fact that a certain amount of information about the enterprises could already be obtained via the internet.

Furthermore only enterprises in the closer to middle spatial distance to the researcher were selected, so that the temporal and financial expenditure for personal interviews was feasible. Thus only enterprises within Baden-Wuerttemberg were selected. Due to the large total number of enterprises within this defined area and a particularly high proportion of relevant SMEs located in Baden-Wuerttemberg, this did not pose any problems. In addition, the research question referred to foreign trade and investment programmes at the federal level, so that settling of enterprises in a specific federal state does not play a role.

Approaching the Participants

After the selection of the enterprises to be investigated, the relevant enterprises were contacted to inquire about their willingness to participate. It was directly communicated that all collected data were, are and will be treated confidentially. Due to the characteristic of the SMEs, as these are owner-managed, it was not necessary for obtaining permission to contact the head office in advance. In order to contact the right participants for the semi-structured interviews, an additional sampling criterion was added at this point. As with the selection of the enterprises themselves, great care was taken to ensure that the selected interviewees were able to answer the research question(s) in the best possible way and provide a rich detail about the SME internationalisation. Since the units under investigation were SMEs with a rather smaller management team and therefore more generalists could be assumed. Based on basic research and the researcher's own experience, it was assumed that the respective managing director (CEO), alternatively a top-level manager, had the necessary knowledge due to their fields of work. If the managing director referred to another top-level manager, he or she was asked. Relevant fields of work have been: Experience in internationalisation, experience in strategic management as well as experience in finance. Due to these aspects in combination with the staff structure of SMEs it was evident that one person per enterprise is sufficient, since this person had comprehensive knowledge about the internationalisation and the resulting need for government support. Gender, age, sexuality, state of health were no relevant criteria. After the enterprises had agreed to participate, the interviews were carried out, and of course a consent form was signed by each person.

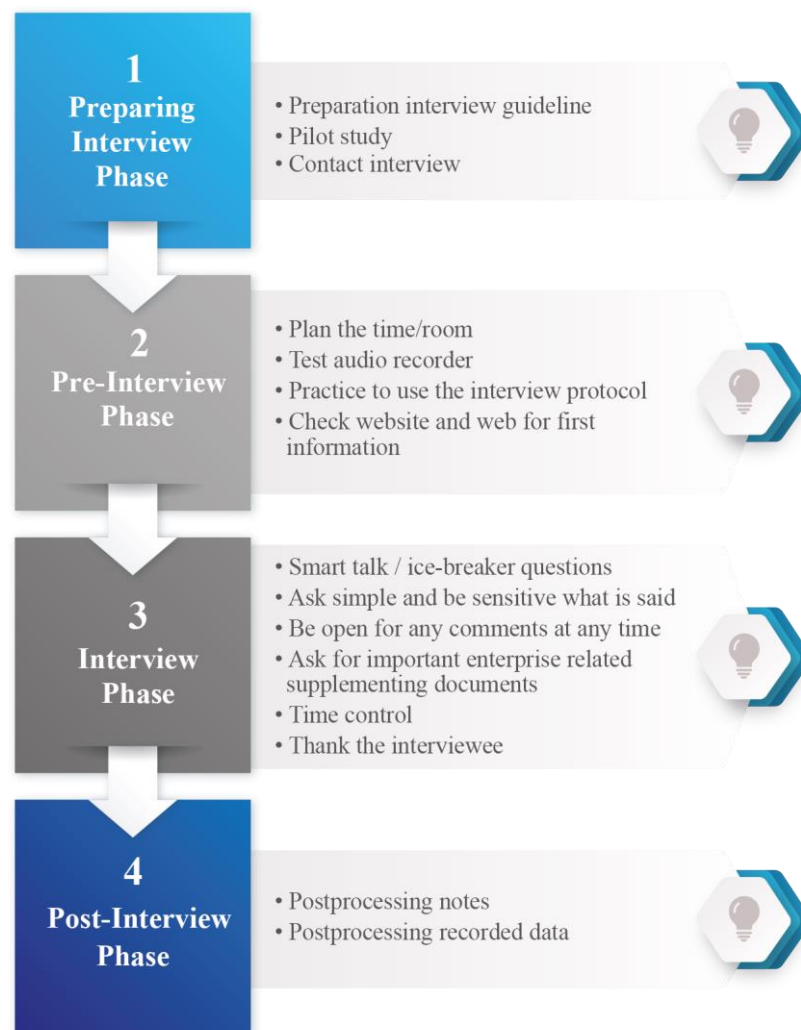
Semi-Structured Interviews and Supplemented Documents

The purpose and advantage of a semi-structured interview have been already explained in the chapter of the pilot study. As already briefly mentioned, the semi-structured interview allowed the greatest possible freedom in combination with a nevertheless standardised procedure.

In addition to the pure implementation of data recording, the process of the data recording procedure included other elementary components. Researcher comment that conducting the interviews should therefore be seen as a separate process that outlines this clear schedule. In the qualitative research literature there are different approaches to an interview process (e.g. Bryman (2016)), the one developed for this case study here is based on Creswell and Plano Clark (2018). In addition, the criteria of a successful interviewer by Kvale (1996) were taken into account: Structuring, clear, gentle, sensitive, open, steering, critical, remembering as well as interpreting.

The process contained four phases, whereby the first phase is completed before the actual data collection phase, but was important as a starting point. Figure 16 illustrates the four steps: Preparing interview phase, pre-interview phase, interview phase and post-interview phase.

Figure 16: Case Study Process



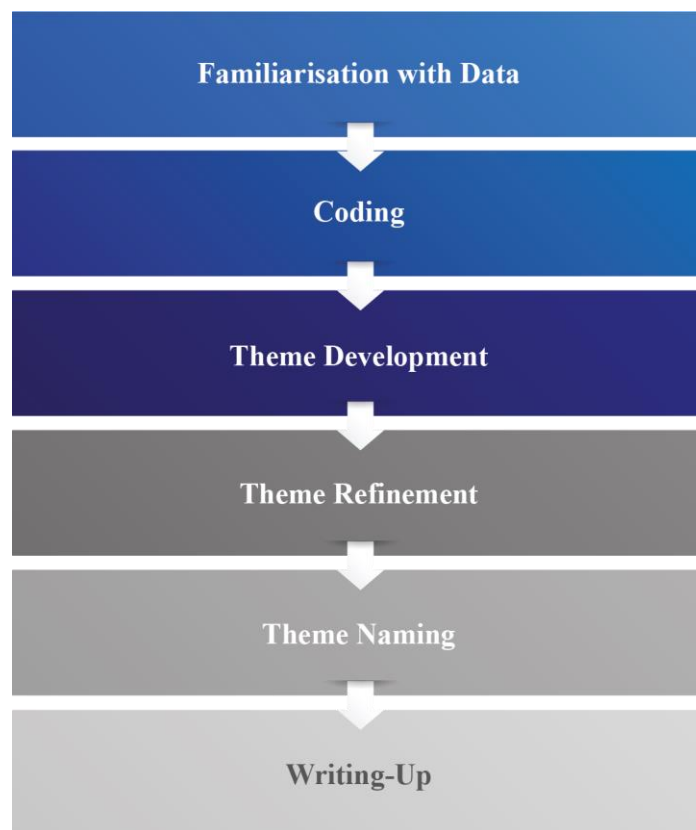
3.4.3.5 Data Analysing of the Interviews

One of the most central points of the research was the selection of the appropriate analytical approach, which, especially in qualitative research, could be selected from a wide range of possibilities. Sometimes there are discussions in the literature about whether an approach is a separate approach at all or only a variation. A variety is available in the literature, each with its own advantages and disadvantages: grounded theory, analytic induction, interpretative phenomenological analysis, thematic analysis, template analysis, etc. (Braun & Clarke, 2006; Bryman, 2006; Bryman & Bell, 2015; Creswell & Plano Clark, 2018; Strauss & Corbin, 2003). There is still critical debate about the most suitable approach to analyse and understand the multitude of data sets collected. While a

large amount of qualitative data is attractive to the researcher, it is equally linked to the difficult task of finding a smart and effective way through the data set (Miles, 1979). Following this basic idea to find the most suitable approach to find pattern in the qualitative data, this study applied the thematic analysis approach by Braun and Clarke (2006). In particular, the chosen approach fit into the overall research orientation, as it was flexible and could be adapted to different scenarios. Similarly, thematic analysis was compatible with the chosen theoretical approach and epistemology orientation, as thematic analysis is not anchored in a specific theoretical tradition. In addition, the research was suitable for the thematic analysis if the research project was research question guided. Furthermore, the application of semi-structured interviews fit in the basic ideas of thematic analysis. The aim of thematic analysis is to "identify patterns in people's (reported) practices or behaviors related to, or their views and perspectives on, a certain issue" (Braun et al., 2016, p. 195).

The process of thematic analysis consists of 6 different steps that were applied for this research (see figure 17): 1. Familiarisation with Data, 2. Coding, 3. Theme Development, 4. Theme Refinement, 5. Theme Naming, 6. Writing-Up. It is important to note, however, that the thematic analysis contained a recursive process of moving forward and, in some cases, moving backwards through data incorporation, coding, topic development, revision, naming and writing. It was of crucial importance that the author had to discover the topics in the data due to links to theoretical assumptions, personal research skills and experience and interdisciplinary knowledge (Braun et al., 2016).

Figure 17: Thematic Analysis Process



Source: Adapted by Braun et al. (2016).

Familiarisation with Data

After the data collection step, there was a further step that was particularly relevant for the collected interview data. For the further data process it was crucial to familiarise with the collected data and get a full and deep understanding of the data. This phase was not be concluded prematurely, as only a comprehensive reading and immersion in the matter enabled the later, targeted retrieval of codes and themes. Already during the first reading, the first notes were made, pointing out the first codes. This phase lasted until the researcher felt comfortable with the data (Braun et al., 2016).

In order to carry out this familiarisation process, transferring the data of the semi-structured interviews from audio form to a written form was of enormous benefit. On the one hand, it was easier to read written words and to be careful, especially to be able to recognise and also mark schemes. On the other hand, in this step the author was able to check immediately whether the data were available completely and whether they were congruent in themselves. If not, he was able to ask the respective interviewees directly.

In addition, there was also to consider that not only the "what" was said, but also the "how" something was said by the interviewee could have been of importance. For this reason, additional notes were made on the transcription sheet if this was necessary and significant (Braun et al., 2016; Bryman & Bell, 2015).

After the transcription, a corresponding project was created in NVIVO and the respective documents were uploaded for detailed analysis. This computer-assisted qualitative analysis software enabled the author to structure the coding in the next step.

Coding

This familiarisation with the data ensured that the next step, coding, was carried out with the necessary accuracy and expertise. Relevant data were marked with a word or short phrase so that this content was easily identifiable. Relevant content related to the research question and the sub-research questions. For each relevant text module it was checked whether an already used code applies or whether a new code must be assigned. It was necessary to analyse the data for three times - Braun et al. (2016) suggest a minimum of two times - , double check the created codes and to refine them if this was necessary. Some codes have been merged or further segmented. The first round was considered to be the start coding step, and the coding was carried out as comprehensively as possible. Only a systematic and rigorous coding procedure guaranteed a later well-founded development of the themes (Braun et al., 2016).

This step, the coding, is partly attributed by some researchers to the function of data reduction, as relevant data is filtered out of a very large amount of data by using codes. Data reduction could theoretically take place directly before the coding step, but Braun and Clarke (2006) attribute this function to the coding itself. In practice, it has been shown that the coding already included a data reduction and that an extra step for a separate data reduction would not have been reasonable.

Theme Development

The most important phase within the thematic analysis started with the development of the themes, because this is where a robust and obvious answer to the research question was developed. In order to develop the themes, the codes created in the previous step were clustered, i.e. an attempt was made to group them into suitable groups at a further level. These superordinate patterns have been more general and combined the individual

concrete ideas in a collective term. In order to answer the research question, it was necessary that the formation of themes on a superordinate level was relevant. Summarising the codes into a scheme, the codes had to contain more than one normal pattern, there must be a deeper meaning relevant to the research question (Braun et al., 2016).

Theme Refinement

In the theme review phase, the themes prepared were checked for accuracy. Essentially, this was a two-step process in which the themes were checked in relation to the coded data on the one hand and in relation to all un-coded data on the other. The background to this was the examination of whether the themes were too far away from the data or whether they were still appropriate in relation to the research question. In addition, it was checked whether the topics overlap, if any, and whether there have been any cross-references between the individual topics. Braun et al. (2016) state, that cross-connections can reveal new patterns and must therefore be considered with great attention. In this phase, the use of thematic maps has been a great aid in clarifying the relationships between the possible themes.

Theme Naming

Once the themes have been checked and refined, the next step was to define the themes. For this purpose, each identified theme has been described in more detail, the approach was delimited, the focus was set and an adequate analytical narrative was carried out. "Analytic narrative refers to the descriptive and interpretative commentary you present to the reader, which provides the context of quoted data, tells them about what is analytically important, and how this addresses the research question" (Braun et al., 2016, pp. 199–200). Furthermore, it was crucial assigning a meaningful name to each theme, which conveys the previous detailed description in a simple and clear way (Braun et al., 2016).

Writing-Up

In this phase, the findings derived in the previous steps (data extracts and analytical comments) were set out in writing in the final report. The aim of this writing process was to prepare the sometimes complicated data in such a way that they answer the research questions (Braun & Clarke, 2006).

3.4.4 Meta-Inference Discussion and Drawing Conclusions

After the different research approaches from the preliminary study (web survey and usability testing) as well as from the main study (case study) had produced different findings, the last important step towards the final answer of the research question was taken, the conclusion on the meta-inference resulting from mixed method approach. Although, as noted, there were many important steps within research methods, the most important one was bring the various findings from the data collected together and to discuss them in relation to the research question and the current state of the literature.

To this end, the schema developed in the findings of the case studies, which was explicitly designed to answer the sub-research questions, was adopted and the findings of the three mixed method research approaches were combined with the greatest care and circumspection. Even if the findings of the preliminary study and their implications already had an impact on the main study and thus indirectly contributed to the findings of the case study research, it was necessary for the chosen embedded research approach to combine all findings again at this point, directly linked to the necessary critical discussion and classification of the overall findings.

Based on this critical discussion of the findings, the author drew a final conclusion, which primarily refers to the research objectives and guidelines and thus finally reviews them again. The previous process ensured that all documents analysed and templates created were included in the theoretical contribution of the work, which, as presented, complemented the institutional network with regard to the promotion of SMEs and a comprehensively promotion approach from the perspective of enterprises.

It was particularly crucial at this point that the author critically scrutinised the findings generated and the discussion based on them, reintegrated them into the existing literature and manifested them so that the theoretical contribution of the research thesis is evident.

3.5 Ethical Considerations

This chapter provides insights in the discussion about ethical issues and considerations that have impacted this study. There were several ethical issues that have been relevant for the conduct of this research project. These ethical issues arose in a variety of stages

during the research project. Researchers conclude, that the core principles are whether or not the participants are suffering harm, informed consent, privacy as well as deception (Bryman & Bell, 2015; Saunders, Lewis, & Thornhill, 2019).

In general, this research project followed the code and guidance of ethics by the Research Ethics Committee of Northumbria University at Newcastle. This includes of course compliance with the EU-wide General Data Protection Regulations (GDPR) of 2018. As this study was structured as a mixed method approach, both quantitative and qualitative methods were taken into account for identifying and avoiding ethical concerns. By observing the guidelines at an early stage, even before data collection began, potential ethical issues could be considered in the following four phases of research: Access to participants, data collection, data analysis as well as data storage and publishing.

Access to Participants

Access to the participants for both the web survey and the semi-structured interviews was mainly provided by accessing a private market research database. In general, within both research methods, the participants were absolutely free to participate in the study or not. Care was taken that the enterprise was contacted first and then the respective employee. Furthermore, no pressure was exerted on the enterprises and/or participants at any time (Saunders et al., 2019). In addition, they were told that at any time during the research process they could withdraw their willingness to participate and thus refuse to participate. For the qualitative interviews, in addition to the pure database search, some samples were selected based on the researcher's own personal relationships with relevant SMEs. Increased care was taken to ensure that no pressure situation arose. In these cases, too, the possibility of non-participation was pointed out repeatedly.

In the process of gaining access, privacy also played an important role, which otherwise could have led to serious ethical issues (Bryman & Bell, 2015; Saunders et al., 2019). This was remedied by consent forms, which were very closely linked to privacy. It was ensured that the participants were sufficiently informed about the process in good time. The aim was to provide the necessary information so that the participants could decide whether to participate, based on the following additional information: the importance of their participation, the necessity of their participation, the use of the data and the publication of the findings (Bryman & Bell, 2015). This research ensured this through a

consent form adapted to the needs of the study. The consent forms are stored on a password protected drive on the private university servers of Offenburg University.

Data Collection

The data collection was not started without a valid consent form in both quantitative and qualitative research. The quantitative web survey was additionally designed in such a way that a termination was technically possible at any time without consequences for the participants. The analysis of the data sets showed that this was used in few cases and that the majority completed the web survey as soon as they started the web survey. Another positive aspect was that there were no complaints from the participants. The web survey was also stored on the private servers of Offenburg University, which guarantee the highest possible data security. Personalised access keys were sent to the enterprises, which could only be used once and represented the only possibility to participate in the survey. Access to the survey was never made available to the public at any point on public websites in the World Wide Web.

The data collection of the semi-structured interviews was not started without a valid consent form as well. It was pointed out once again, as already in the first contact, that it was possible to cancel participation at any time without consequences. It was also pointed out that individual questions did not need to be answered either, as there was no general obligation to answer the questions. No pressure was exerted if a question did not want to be answered. Furthermore, the author has avoided the use of offensive, discriminatory or other unacceptable formulations in the course of data collection of the case studies.

Data Analysis

During the data analysis stage, strict attention was paid to ensuring and continuing the continuous anonymisation of the data as far as possible. This was intended to prevent any kind of harm concerning confidentiality (Bryman & Bell, 2015). Only the researcher and the supervision team had access to the data and especially to the identities of the corresponding enterprises. Since an anonymised survey was already set up during the creation of the web survey, the data of the web survey did not had to be specially treated and anonymised. The exported data was already anonymised and it was not possible to identify which data set belongs to which enterprise.

Data Storage and Publishing

The data anonymisation, which has already begun in part during data collection and data analysis, was completed at the latest in the last step of the research. The data was only be published in a completely anonymised form and no conclusions can be drawn about the involved SMEs. It was also ensured that the interviewees as managers cannot be identified or identifiable. The restrictive data backup was not only secured during the research project, data storage will be also guaranteed to the same extent after completion of the research project.

Due to this explicit approach and caution regarding possible ethical concerns, the author assumes that the study was not affected by ethical issues. Thus, a possible negative impact on the quality of the data can be excluded.

3.6 Research Quality

Even though quantitative and qualitative research can be usefully combined within the framework of mixed method research, the previous chapter has shown that qualitative and quantitative research is fundamentally different (Goertz & Mahoney, 2012). There is a general agreement that different evaluation methods and criteria must be used for both quantitative and qualitative research in order to determine the quality and transferability of inferences (Bryman & Bell, 2015; Saunders et al., 2019). In the specific context of mixed method research, Teddlie and Tashakkori (2009) argue that an integrative framework should be applied that includes a meta-inference level in addition to the two individual strands. Within this integrative framework, the degree of credibility of the meta-inferences within a research project is examined.

This approach was also followed in the design and final review of this research project, in order to obtain a comprehensive summary of the considerations of research quality. The following chapter therefore contains first an isolated consideration of the individual research strands or research methods and then a consideration of the entire mixed method approach at the meta-inference level. The underlying measurement criteria for determining research quality were applied. Although the emphasis was on the qualitative research area of the main study, it was also necessary to include both research methods of the preliminary studies and to integrate them in the overall evaluation. It was especially

necessary for the overall assessment of the quality of the research, as the preliminary study was an integral part of the chosen mixed method approach and was instrumental in answering certain sub-research questions.

3.6.1 Preliminary Study

3.6.1.1 Web Survey

As quantitative research is usually conducted both through experiments and surveys, numerical data are collected, collected and evaluated (Bryman & Bell, 2015). The quality of this web survey can therefore be assessed on the basis of the criteria internal and external validity, reliability as well as objectivity (Lincoln & Guba, 1985), with a particular focus on internal validity (Teddle & Tashakkori, 2009).

Internal Validity

Internal validity is given when the results of an investigation actually measure what they are supposed to measure and thus provide credible results, i.e. that alternative explanations for the results achieved can be excluded (Teddle & Tashakkori, 2009). In order to increase internal validity of the research it was necessary to avoid systematic failures as far as possible. As generally there is no single set of indicators named in the literature, various sets of indicators are available to evaluate quantitative research and to ensure internal validity (Campbell & Stanley, 1967; Shadish, Cook, & Campbell, 2002; Wortman, 1983). Shadish et al. (2002) lists nine important indicators that are relevant for internal validity: Ambiguous temporal precedence, selection, history, maturation, regression, attrition, testing, instrumentation as well as additive and interactive threats to internal validity. The threats of particular relevance to this study are discussed in detail below.

History concerns the aspect that any unplanned event between two measurements can have an unintended influence on the participant's responses. The same effect can also occur in studies that collect data over a longer period of time (Shadish et al., 2002). The choice of the web survey procedure prevented the occurrence of historic threads. In order to avoid a too long response period, in which political or other environmental impacts could have occurred and thus influenced the responses, a short time window was chosen

for answering the questions. The survey participants were not informed of this short time window to avoid an external pressure. With few exceptions, the questionnaires were answered within less than 30 days, which largely rules out external effects on participants attitudes completely.

Similarly to history related threats, maturation is about the effect that participant's mind-set can change over time and thus the measurement results can be falsified. In addition, the motivation of the participants can also change and ultimately weaken the internal validity (Shadish et al., 2002). As can be seen in the history discussion, the short test period gave only little room for criticism and, in addition, it was only one query of the web survey, so that personal changes within the response cycle could be excluded very reliably. It also became evident after the survey was completed that the surveys were mostly conducted in one piece and not over a longer period of time. Corresponding key figures were tracked in the survey tool. This can also be seen as a valuable indicator that the research was consistent and successful.

Testing addresses the various testing effects that can influence the research negatively. More precisely, the testing effects refer to the effect of repeated tests with the same measurements. It is assumed that a certain learning effect sets in and thus distorts the actual test result (Wortman, 1983). In this study only one cycle of questioning was used, so that a learning effect by answering the questions has no effect. Even within one survey cycle a learning effect could be excluded, as the question types were structured differently and always varied in the type of questions.

The further internal validity threat selection is concerned with the development of a bias sample (Wortman, 1983). The target group has been chosen in such a way that the selection of participants does not have any disadvantages that would weaken the results of the research. Due to the very well-known criteria defining the target group and the very simple application of these criteria in the enterprise database, the quality of the survey sample was kept very high. It was also possible to avoid sending the surveys to enterprises that did not belong to the target group. The satisfactory response rate also showed that the selected enterprises were definitely motivated to participate in the survey and that the topic of the survey was also relevant. A few responses showed that some enterprises generally do not take part in web surveys. However, the further explanations showed that

this was neither due to the subject matter of the survey nor to the specific selection of the enterprises, but rather to the fact that the enterprises have no capacity.

External Validity

External Validity, on the other hand, means that your research results can be applied outside a specific research project. In detail, external validity addresses whether the results of the research can be generalised and applied to the whole population or to other situations, times, groups or individuals (Aronson, Wilson, & Akert, 2014). The prerequisite for external validity is that the internal validity of the research is ensured; otherwise the external validity is limited. In particular, two possible threats are noticeable for a research project.

First, the selection of the test objects. For a stable external validity it is important that a suitable sampling model identifies the population it is intended to generalize. Followed by, that the researcher draws a sample from this population and conducts the research. The process is finalised by an analysis of the measurements and a generalising back of the results to the original population. This research study took this aspect into account as much as possible when creating the sample, so that a generalisation of the findings is then given (Aronson et al., 2014). For the specific group of manufacturing SMEs in Germany, the generalisation was given to a great certainty due to the large, very comprehensive selection of the survey participants. In addition, the evaluation of the data has shown that SMEs from all federal states took part in the survey, so that information on enterprises from all over Germany was available.

Second, the right environment in which the research is carried out: This implies factors such as time, timing, location or scope of measurement (Aronson et al., 2014). The author believes that the design and process of the web survey was designed in such a way that the participants feel as little or no external influences as possible and thus the results are not distorted. Participants could conduct the web survey at their own preferred time, could interrupt the web survey, and could conduct it in their normal environment. The duration of the web survey (maximum 20 minutes) was also within a reasonable range. This was insured by the fact that the web survey was intentionally nested and the questions to be answered depended on the previous answers.

Reliability

Reliability as one of the other main factors for assessing the quality of research refers to whether the research produces reliable results when repeated (Creswell & Plano Clark, 2018). As far as reliability is concerned, a fundamentally high level of reliability could be assumed, since the implementation of the quantitative study was subject to clear criteria and procedures that have been openly explained. In particular, the disclosure of the procedure from data collection to the conclusions of the quantitative web survey study. Thus, researchers using the same selection criteria, questions and procedures would have to come to similar conclusions. Weaknesses could arise from the fact that if the study were to be repeated, other enterprises would participate and provide different answers. However, due to the very positive response rate, it can be assumed that reliability was given.

Objectivity

Objectivity in empirical research is given when the researcher himself does not exert any influence on the research process (Payne & Payne, 2004). Objectivity means that the person performing the test is not given any room for manoeuvre in the implementation, evaluation and interpretation. Complete objectivity would therefore be given if both any test leader who conducts a certain test with a certain test person and any test evaluator evaluates and interprets the test person's test performance in exactly the same way (Moosbrugger & Kelava, 2012).

Objectivity of implementation exists when the test result does not depend on which test director conducts the test with the test subject. The probability of a high level of objectivity of performance is greater if the test is standardised (Moosbrugger & Kelava, 2012). The web survey was carried out without direct, personal contact, so that a direct influence by the researcher could be excluded. In addition the testing process was standardised due to the clear work instruction via email. Also the web survey tool was standardised and a change of the survey structure during the execution was not possible. The objectivity of the evaluation of the answers was still guaranteed, since test results did not depend on the person of the test evaluator when the answers of the test persons were available. As no open questions were used in quantitative research in this study, but only closed questions such as multiple-choice controlled tasks, the objectivity of the evaluation is easily ensured. Only in the case of some multiple choice questions was it possible to

give non-standardised additional answers, but these were exceptions that had no significant influence on the evaluation (Moosbrugger & Kelava, 2012).

Last, the objectivity of interpretation of a research study is given, if the person carrying out the evaluation has no connection to the participants and does not include individual opinions or sympathies in the evaluation (Moosbrugger & Kelava, 2012). As there were no personal relations between the author and the enterprises, an influence due to the closeness could be excluded. In addition, the data were stored anonymously after the enterprises have replied, so that a reference to individual enterprises was furthermore not possible.

3.6.1.2 Usability Testing

To determine the quality of the usability testing carried out, various quality criteria were also considered. Christian Moser (2012) identifies for the specific usability testing approach three essential criteria by which the quality of the chosen usability testing method can be determined and ultimately allow conclusions to be drawn about the quality of the research: Objectivity, reliability and validity. Sarodnick and Brau (2011) subdivide validity once again for a more specific consideration of scientific relevance into external (predictive power) and internal (evaluator effect) validity.

Objectivity

In terms of objectivity, the expert evaluation carried out has a weakness, especially in comparison with other usability methods. Since the expert evaluation was carried out by only one expert, a complete exclusion of a personal influence of the author cannot be excluded. In particular, personal influences on the evaluation arise on the basis of own previous knowledge and own ideas regarding the design of a funding database. A higher degree of objectivity would have been achieved by an examination by several experts and a subsequent consolidation of the results (Christian Moser, 2012).

Reliability

The reliability of expert evaluation is in principle equally susceptible to weaknesses, but unreliability was avoided as much as possible by clearly defining the criteria to be considered (Christian Moser, 2012). Especially when considering the various search criteria in the funding database, a repetition of the investigation using the same method

would lead to the same result. It should, of course, be noted that there may have been changes in the technical design of the funding database in the meantime, so that the results differ as a result.

External Validity

Sarodnick and Brau (2011) relate the external validity to the predictive power, i.e. are the results significant for the customer or are they only theoretically relevant and not even perceived by the customer as irritations. In principle, the author assumes that the expert evaluation of the funding database provides good predictive power. Even if some of the weaknesses found, such as terminological problems or filtering issues, might not be noticed by the enterprises, usability would still be limited.

Internal Validity

The evaluator effect cannot be denied in expert evaluation, which means that the results do not contain unintended influences.

In summary, it can be said that an appropriate quality of usability testing was guaranteed, even if individual aspects such as internal validity or objectivity were not optimally developed. In particular due to the systematics that usability testing was only a preliminary investigation, which provided the author with a broader knowledge before the case studies were carried out and gave an overview of the central digital funding database, whose aspect was also incorporated into the questionnaire for the semi-structured interviews.

3.6.2 Main Study: Case Study

When conducting qualitative research such as the case study, in contrast to quantitative research, different quality criteria apply to assess the quality of the research. Various other criteria and criteria frameworks have been developed by various researchers (Bryman, 2016; Guba & Lincoln, 2003; Lincoln & Guba, 1985; Tobin & Begley, 2004).

A very common approach in qualitative research is the framework of Lincoln and Guba (1985) that is focussing on the criteria trustworthiness. Trustworthiness deals with the question by which criteria readers of a research are convinced to accept the results and to include them in further research. Trustworthiness can be further divided into four sub-criteria to evaluate qualitative research. Detailed examination of the framework shows

that the four criteria can even be assigned to quantitative research by analogy with the following criteria and are the counterpart of qualitative research (Bryman & Bell, 2015; Tashakkori & Teddlie, 2003): a) credibility (vs. internal validity), b) transferability (vs. external validity), c) dependability (vs. reliability) and d) confirmability (vs. objectivity). The author believes, that the trustworthiness approach was suitable for evaluating the chosen case study research method.

Credibility

Credibility addresses the issue of whether or not the construction of the research by the researcher appears credible to other people (Lincoln & Guba, 1985). Particularly, two aspects are crucial for the establishment of credibility: First, that the researcher has conducted a good practice and second, that the researcher has a correct picture and understanding of the social world (Bryman, 2016). Various instruments can be considered as concrete techniques for enhancement: Prolonged engagement, persistent observation, triangulation techniques, peer debriefing, negative case analysis, referential adequacy, and member checks. In this context, Yin (2018) also notes that with regard to case study research, internal validity is possible in the case of explanatory studies. As the case studies in this research project focussed on explanatory research, the credibility of this study was given and showed the relevance of the chosen approach.

As the extensive literature review has shown, the selected research topic was relevant and contributed from a theoretical point of view to successful theoretical driven research. This contributes greatly to a high degree of credibility, since the topic was not chosen for subjective reasons and values of the researcher, but was derived in a substantiated way. Likewise, the basic theoretical framework supported the credibility of this study, as this concerns the theoretical triangulations approach. As can be seen in the literature review, the institutional based view and the institutional network theory formed the theoretical framework for the study. Both individual theoretical approaches indicated that a theoretical basis for the study existed and contributed to further knowledge in this area.

During the data collection phase, three specific techniques were used to achieve credibility. On the one hand, in addition to the audio recordings of the interviews, additional notes were made of the interviews, which were each reviewed at the end of the interviews. In this way, individual weaknesses in the conduct of the interviews could be excluded in the following interviews. On the other hand, the transcribed texts were partly

made available to the enterprises again and these could supplement or amend the data again if necessary. Furthermore, during the entire data collection process, it was questioned whether the data sources were sufficient for the case studies or whether they needed to be further expanded with additional data such as documents or reports.

Another important indicator of credibility is triangulation. Credibility was ensured by the methodological triangulation used in this study, which used a mixed-method approach, with an emphasis on qualitative methods. The complementary preliminary quantitative and qualitative approach (web survey and usability testing) supported the overall credibility of the study. This fact of triangulation is discussed and documented in more detail in the section mixed method meta-inferences.

Transferability

Transferability is about whether the findings and conclusions can be transferred to other contexts. The criterion of transferability should therefore be seen in analogy to external validity in quantitative research (Teddlie & Tashakkori, 2009). In qualitative research the technique thick description, which was developed by Geertz (1973), plays an important role. A thick description of the research process, the research methodology and the methods used, provides information on the context and other important factors of the research so that other researchers can compare the results with their own or other research. A thick description is also help to transfer the findings to other research contexts. Since this description of the case study research is given in the research method chapter, the researcher believes that the transferability is possible.

In addition, another important aspect for a pronounced external validity is the concrete design of the research question in the design process of the case studies. Due to the used research question and integration of “how” and “why” questions, it is guaranteed that a transferability is possible (Yin, 2018).

Dependability

Dependability, as the counterpart to reliability, is concerned with how the process of inquiry is dependable and whether the research is conducted consistently according to certain rules (Lincoln & Guba, 1985). This is intended to ensure that qualitative research also comes to the same conclusions when carried out repeatedly and is therefore reliable. To achieve this, a so-called audit trail was recommended and implemented for the case

studies, which documents the entire research process by using a protocol and a database (Yin, 2018). This audit concept explicitly covered all phases of the research, i.e. not only the derivation of the research gap, the selection of the sample of participants and the implementation of the data collection, but all components of the case study, so that a further research using this detailed description would even lead to the same results (Bryman & Bell, 2015).

However, it also shows that dependability is very difficult as a criterion, or the implementation in reality. In particular, the large data sets in qualitative research cause problems for researchers in replicating and reviewing the research (Bryman & Bell, 2015). It is even more challenging depending on who the auditor is. In this research, with the emphasis on German SMEs, some specific aspects could represent a weakening of dependability. However the author does not necessarily see this as a given, as these have been counteracted with appropriate measures. One is the special foreign trade and investment promotion system in Germany, which was explained in detail in the literature review and should therefore also be understandable for auditors from other countries. The other is that the interviews were conducted in German, so that the researcher and the interviewees can conduct the interviews in their native language. It is therefore questionable whether conducting the interviews in English would lead to the exact same answers and therefore to the same findings. However, as the interviewees are managers in SMEs with normally an appropriate skill in English language, it can be assumed that research in English would lead to the same findings.

Confirmability

Confirmability, addresses the issue of how the researcher's neutrality is ensured. This involves assessing the extent to which the researcher has carried out the research in bona fide. This explicitly implies that personal values and ideas influence the entire research process and thus change the results (Bryman & Bell, 2015). In other words, "the extent to which the product of the inquiry is confirmable, including whether results are grounded in data, whether inferences are logical, whether there is inquirer bias, and so forth" (Teddlie & Tashakkori, 2009, p. 296). In general, a potential negative influence of the researcher due to personal values on the process of data collection and analysis in this study was very limited. A general confirmability could be guaranteed by a precise and detailed protocol of the research procedure described in the various chapters of this thesis.

In addition, an attempt was made during the data collection to approach the data collection as openly as possible and not to exert pressure on the participants during the interviews, but to listen openly to the participants. Furthermore, in the area of data analysis, strict attention was also paid to ensure that no deviation from the data analysis technique used was made and no personal influences or values of the author were included. The author believes that the strict application of the selected analysis techniques ensured the confirmability of the study. This is also encouraged by the fact that the research had a clear theoretical background and the choice of topics was given by the literature and less by the personal ideas of the researcher.

3.6.3 Mixed Method Meta-Inference

As the isolated consideration of the three methods with regard to good interferences has shown that the high quality of the study was generally guaranteed. However, it is further argued that when using a mixed method approach, the quality of the research work must also be analysed at a higher meta-level (Tashakkori & Teddlie, 2008). In this meta-level, an all-encompassing quality review of the three integrated research methods is carried out, which goes beyond the already discussed isolated consideration of the respective research methods. Tashakkori and Teddlie (2008) refer to this all-encompassing examination as an integrative framework for mixed method research.

Within this integrative framework, two criteria in particular were highlighted for this research to assess the quality of the conclusions: Design quality and interpretative rigors (Teddlie & Tashakkori, 2009). Design quality is given when the research design and the entire research process is aligned with the research question and is of high quality. The entire process and procedure must be carried out with a high degree of accuracy and rigor in order to guarantee the quality of inferences. For both aspects of quality, design quality and interpretive rigor, different research criteria are available as tools for mixed method researchers. In the following, the indicators relevant for this mixed method study are taken up, which stand for a high quality of the inferences on a meta-level (Teddlie & Tashakkori, 2009).

Design Quality

The chosen mixed method approach of this study, with a strong emphasis on case study research, is closely related to the qualitative driven research question. As a result, it could be concluded that the design suitability was given. In particular, the approach of the study is reinforced by the fact that the majority of sub-research questions were answered by the qualitative orientated case study research. The preliminary study (web survey and usability testing), on the other hand, provided additional information for the subsequent stages of the study. In addition, some of the findings were used as supporting material in answering certain sub-research questions and in the overall conclusion.

As another aspect, design fidelity and design consistency was given in this mixed method study. The author believes, that the components of sampling and data collection methods were rigor. Great care was taken to ensure that the same criteria were used throughout the mixed method study to select the samples. This ensures consistency throughout the entire study and allows the findings to be combined for the overall conclusion. Furthermore, the within-design consistency was given, because the entire data collection of the study was conducted in one and the same language. This was strengthened by the fact that the study was carried out in only one country, which makes this problem less important.

Analytic adequacy was also given, since the entirety of all selected data collection and analysis tools were geared to the research question. Already the chosen research design, with its multi-stage concept of a preliminary and a main study, strongly encouraged this. The selection was made exclusively on the basis of the research question, with the aim of answering it in the best possible way.

Interpretive Rigor

As the final conclusions in a mainly qualitative driven research depends – beside strong data extracts – on analytical comments, it is necessary to ensure that the nature, scope and intensity of the conclusions correspond exactly to the relevant findings. Teddlie and Tashakkori (2009) state that in this case interpretative consistency is given. As this aspect was already explicitly mentioned and taken into account when preparing the final report of the case studies, a stringent application throughout the entire study was guaranteed.

Another quality aspect in terms of interpretive rigor of research is integrative efficacy. Specifically, this raises the question of whether the meta-inferences adequately integrate

and adopt the conclusions drawn in each individual research strand (quantitative and qualitative) of the study (Teddlie & Tashakkori, 2009). This was ensured at two levels in this research study. The research design chosen ensured that the results of the preliminary study were incorporated into the main study and that the results were also taken into account when deriving the final results. The chosen research design - embedded and multi-phase design - was therefore the main driver for this quality aspect of research with mixed methods.

In addition to this integrative framework, there was another aspect which concerns all three individual research methods and is therefore located on the meta-level. In concrete terms, it is about the transferability of the findings. Especially the chosen mixed method research structure, in the combination of a quantitative web survey and a qualitative case study, allows to increase the transferability, because the data basis has been increased and the data analysis technology has been extended. The transfer of findings and conclusions to nearby research areas such as the examination of the funding situation of SMEs in other countries or groups of countries is possible in principle, even if some aspects have to be considered here. Basically, there are certainly smaller limitations to this transferability, which will be discussed in the following chapter.

Furthermore, parts of the findings and conclusions can be transferred to more distant research areas that are related to the promotion of SMEs in the government institutional network, but are not explicitly linked to the internationalisation of SMEs. Since basic relationships and processes between different actors within this network have also been investigated, it is quite possible that parts of the investigation, such as a coordinated and concerted support offer, could also be a valuable tool in other research areas. In this case, however, further fundamental research would have to be carried out.

3.7 Research Limitations

The assessing of quality of the study has shown that the chosen research approach was an appropriate framework to answer the research question in a good manner. However, there were undoubtedly some minor factors that limited this study due to the aspects and characteristics of the research method chosen. In particular, considering the chosen mixed method approach, there are some weaknesses or deficiencies in this study.

First, even though the strictest criteria for the selection of the cases were applied, which were also in accordance with the criteria of the quantitative web survey, it is questionable to what extent the final conclusions can be used to generalise to other countries. As already described in the previous chapter, the author is of the opinion that a general transferability is possible, even if the present political and economic environment in particular must certainly be considered. The reason is that the present study was conducted specifically and context-dependent for German SMEs.

These limitations have a much weaker effect on countries from developed countries, which, as the literature review has shown, are similar in terms of SME structures and needs despite the sometimes different political and economic conditions. When it comes to transferability to SMEs from developing countries, it is therefore essential to bear in mind that not only is the basic economic precondition for SMEs different, but also the political structure may differ. This could lead to changes in the concrete implementation of an easy to use support system.

Second, the data collection took place within a fixed period of time, so that only enterprises that wanted and were able to participate during this period took part. However, there was also feedback, especially in the case of the quantitative study, which stated that the enterprises generally do not take part in surveys. Nevertheless, this limitation was less important, since the response rate, as already noted, was within an absolutely satisfactory range.

Third, limits that are rooted in the nature and capabilities of researchers. Since the author's experience in conducting interviews was generally available and this research method has already been used in other research projects, the experience was nevertheless still limited and could be compared with that of other very experienced researchers. The researcher was aware of this and therefore uncertainties were to be expected, especially at the beginning of the data collection. However, by consistently reflecting on each individual interview and making a note of the weak points, an improvement was achieved which was directly reflected in the course of the various interviews. The skills of the researcher have thus improved throughout the entire research process and the subsequent stages have benefited from this.

3.8 Summary

This chapter has examined the methodological basis of the research work. By differentiating it from other philosophical worldviews, the research was anchored in pragmatism and it was explained how this approach is related to the author's worldview. Subsequently, the research design, a mixed method approach, was derived. The chosen multi-phase and embedded design gave enough room to address the research question in the best possible way. A preliminary study, which included a quantitative web survey and an online content analysis, was followed by the main study section, which was carried out as a case study. Each of these research methods and the consequent procedures such as sampling, data collection or data analysis were explained so that the reader is fully aware of the procedures and processes used to answer the research question. Furthermore, essential aspects such as ethical considerations were discussed, which were also an essential part of the research procedure. This chapter was completed with a discussion of the quality of research and the resulting partial limitations of the research project.

On this basis laid in this chapter, it is possible to manifest the findings made, which will be explained in the next chapter, in the overall research.

4 Findings and Discussion

4.1 Introduction

Following the defined research process, this chapter deals with the central topic of the research work, the presentation and discussion of the findings. Previously, the research question ‘How can German SMEs use variety of economic promoting programmes provided by Government’ has been derived in chapter two, the literature review. The basis for drawing up the research question was that there was very little theoretical knowledge about such a comprehensively approach within a pure government support network. Furthermore, the methodological basis of this study was laid in the previous chapter three and the corresponding mixed method approach was presented and argued.

This chapter begins with a supplementary sub-chapter about the features of the German funding scheme that includes first the structure of the German funding scheme and second, an overview of relevant actors in the German funding scheme. The former provides an overview of the existing government support system in Germany, which differs partly from other countries due to the federalism system. The latter, serves to further define the support instruments of the actors involved in Germany. In the literature review, fundamental assumptions were already made about the concept of government network support for this study.

In the following chapters the findings of the three research methods web survey, usability testing and case study are presented. Both research methods of the preliminary study conclude with the derivation of implications that have had an impact on the downstream case study research. Based on the chosen multi-phase approach, initial findings are already incorporated into further research at this point and enrich the author's previous knowledge.

Finally, the discussion chapter includes all findings of the three research methods. This section contains a detailed discussion of the key findings in relation to the present theoretical basis.

4.2 Features of the German Funding Scheme

4.2.1 Structure of the German Funding Scheme

In order to understand the current state foreign trade and investment promotion system with its various actors in Germany, it was essential to look back at the origins and development of the current promotion system. Schultes (2003) as one of the few German-speaking researchers, prepared a detailed scientific analysis of the development of the German state foreign trade promotion system.

In principle, FTIP is not a new instrument of government support for internationalisation, but has existed in various forms in many industrialised and developed countries since before 1900.

Some of the first German activities, such as the establishment of consulates and the Chamber of Commerce Abroad (AHK), were the foundations. The first significant milestone was the founding of the first AHK in 1894. Due to various drastic accidents, such as World Wars I and II, there were constant changes and setbacks in the design of German state-dominated foreign trade and investment promotion.

Today's system developed fundamentally after the end of the World War II and takes up numerous elements that were already introduced for the first time during the Weimar Republic. The aim of reintroducing support measures was to speed up reconstruction and stimulate the economy. At the beginning, the AHK were completely privately financed, but from the 1950s onwards, state subsidies were provided by the Federal Ministry for Economic Affairs and Energy (BMWi), as public tasks were increasingly taken over. As is still the case today, the DIHK, as the umbrella organisation of the AHK, is responsible for handling the allocation of funds.

In the following years, German foreign trade and investment promotion continued to develop on the basis of various initiatives. The Federal Government was pursuing the strategy that foreign trade and investment promotion is jointly supported by both the state and the private sector and is not completely implemented by government organisations themselves. A study by the ifo Institute illustrates the large share of foreign trade and investment promotion by the private sector (Habuda et al., 1998). Finally, various

discussions resulted in the three-pillar system of German foreign trade and investment promotion (Auswärtiges Amt, n.d.) (see figure 18):

- Germany's missions abroad (embassies and consulates): Advising federal organs on foreign economic policy issues.
- The German Chambers of Commerce Abroad, Delegate Offices and Representations of German Industry and Commerce (AHK): Private law association working individually for enterprises in both countries, as well as authorities and business organisations in the partner countries.
- Germany Trade & Invest GmbH (GTAI): Business development agency that supports German enterprises on their way to foreign countries, promotes Germany as a business location and assists foreign enterprises in settling in Germany.

Figure 18: Three Pillar System



Source: Adapted by Werner (2015).

This basic institutional structure has remained largely the same to date, but it has been partially adapted to new conditions in the course of reforms. These include the reorganisation of the Bundesagentur für Außenwirtschaft (BfAI) into (GTAI), whose remit has been significantly expanded and tasks have been bundled under one roof (GTAI,

n.d.). In addition to the services offered by these institutional organisations, the Federal Government also offers foreign trade and investment promotion instruments organised in other ways through other actors, some of which have a strong project character (BMW, n.d.a).

The BMW formulates as a very general goal of German foreign trade and investment promotion: "The Federal Government backs the attempts by German firms to develop and secure foreign markets with a wide range of instruments to promote foreign trade and investment." (BMW, n.d.c). Since Germany is a federal system of government, there are further special features to be taken into account in the design of the foreign trade and investment promotion system. In principle, the individual 16 federal states have political sovereignty, from which they derive a claim to their own activities and programmes for the promotion of foreign trade and investment. In some areas, the Federal Government retains sovereignty, but these are individual cases and to a large extent the competences in these areas have meanwhile been transferred to the European Union. Nevertheless, it must be noted that the federal states have a very high level of authority (Schultes, 2003).

Despite this additional federal foreign trade promotion structure, it should be noted that the federal government in the form of the BMW is the supreme actor at the federal level. The political decision-making power with regard to measures at the federal level is in the hands of the BMW. For coordination with the federal states, there is, for example, the Conference of Economics Ministers, at which all economics ministers meet regularly to discuss relevant economic issues and take decisions. The Federal Minister of Economics and Energy is involved as a guest and can make suggestions for topics. This meeting is an important element for improving the coordination between the Federal Government and the federal states (Wirtschaftsministerkonferenz, n.d.).

4.2.2 Actors in the German Funding Scheme

The above explanation of the history and key elements of the German funding scheme has shown that there are various players in the German funding landscape. As stated in chapter 2.4.2, other actors were added to the government support network, some of whom do not appear to belong to the government at first glance.

As an excursion and for a better understanding of the most frequently occurring promotion organisations within this defined government support network in Germany, a short list of promotion organisations is given here. It is pointed out that this list is not complete, but only an extract. However, it is also very obvious from the list that a large number of different actors can be assigned to the government support network. The extract includes organisations listed on the central website of the BMWi and GTAI as well as other organisations resulting from literature and web-based research (Auswärtiges Amt, n.d.; BMWi, n.d.a; iXPOS, n.d). In addition, only organisations that offer direct instruments of internationalisation are listed. General funding offers that could also indirectly have a positive influence on internationalisation activities were not taken into account, as they were not relevant to answer the research question.

With this detailed overview, the various organisations have been assigned to one of the following categories: Government Organisation (Federal Level), Government Organisation (Federal State Level), Membership Organisations and State-Related Enterprises.

Through a brief description of the various organisations within the government support network and an explanation of the organisational goal, essential terminology was clarified, providing a basic understanding of the governmental organisations operating in Germany, which is necessary for further research.

In addition and equally importantly, the respective brief description of the organisations' respective fields of activity served as the conceptual basis for the three studies (preliminary and main study) and the corresponding results, as they are an integral part of each of these studies.

Finally, the respective organisations were assigned to the classification scheme for funding programmes already presented in the literature review.

Government Organisations (Federal Level)

Within the government organisations, Germany's missions abroad (embassies and consulates) and the Auswärtige Amt (Federal Foreign Office) are not explicitly listed with the organisation's objective, as they tend to support SMEs on a purely political level with consular orientated instruments.

BMWi

Globalisation, digitalisation, demographic change, the development of Europe and the energy revolution - the challenges of the 21st century are presenting the German economy with major tasks. To answer them, the social market economy must not be reinvented, but it must be made "weatherproof". This is the central task of the Federal Ministry of Economics and Energy. Of outstanding importance for the German economy, which is strongly integrated into the world economy, is foreign trade policy, which flank economic projects with an extensive range of support instruments and at the same time aims to integrate SMEs into the international division of labour. In this way the BMWi supports entrepreneurial commitment to opening up and securing foreign markets. The main instruments are the funding database and other special export initiatives such as the 'Export Initiative Energy' or the 'Export Initiative Healthcare Industry'.

GTAI

GTAI is the foreign trade agency of the Federal Republic of Germany. With more than 50 locations worldwide and its network of partners, Germany Trade & Invest supports German enterprises on their way abroad, promotes Germany as a business location and assists foreign enterprises in establishing themselves in Germany. GTAI is the central contact point for German foreign trade and informs German SMEs about new opportunities, but also risks, in foreign markets. Specifically, all economic forecasts important for the export business are continuously researched, as well as developments in the areas of commercial law and import regulations. Information is also provided on projects and tenders in developing and emerging countries.

Among other things, GTAI offers as one of its further instruments the foreign trade portal iXPOS, a web platform whose aim is to bundle information on more than 70 institutions, organisations and networks that support German enterprises in their foreign business. The weak point is that the information is partly not detailed and is more a mere list of organisations with the objectives. A search for specific products is only available in the funding database of the BMWi.

Government Organisation (Federal State Level)

Due to the fact that the enterprises selected for the case studies are located exclusively in Baden-Wuerttemberg, only organisations from Baden-Wuerttemberg are listed as examples.

Ministry of Economy, Labour and Housing Baden-Wuerttemberg

The Ministry of Economy, Labour and Housing is responsible for the country's economic policy. Its responsibilities include the promotion of the economy, especially SMEs, and business-related research. Foreign trade promotion includes measures to open up new markets and information and advisory services. In particular, two units within the ministry should be mentioned: First, important location and settlement information is summarised in bw-invest for Baden-Wuerttemberg. Second, Baden-Wuerttemberg International (bw-i), the state competence centre for the internationalisation of business, science and research, implements measures to open up foreign markets and to promote Baden-Wuerttemberg as a business location.

Landesbank Baden-Wuerttemberg (L-Bank)

The L-Bank supports small and medium-sized enterprises, e.g. for start-ups, takeovers and investment projects. L-Bank supports medium-sized enterprises by assuming counter-guarantees and guarantees in connection with export credits. However, a brief review of the website revealed that further information on this specific export promotion offer could not be found.

Membership Organisations

Bundesverband der Deutschen Industrie e.V. (BDI - Federal Association of German Industry)

The Federation of German Industries (BDI) is the umbrella organisation of German industry and industry-related service providers. It represents 40 industry associations and more than 100,000 enterprises with around eight million employees in Germany. Membership is voluntary. The 15 state representatives represent the interests of industry at regional level. The BDI has the task of safeguarding and promoting all the common interests of the industrial sectors it represents. It is involved in public political discourse at an early stage. It sets topics, bundles differentiated opinions, creates a balance of interests in alliance with its member associations and thus offers politicians coordinated, representative positions of the economy.

The BDI supports enterprises in global competition. It has an extensive network in Germany and Europe, in all important markets and in international organisations. It provides political support for the development of international markets and deals with topics that individual enterprises cannot address conceptually in this way: from municipal

finance to corporate governance, from ‘Comprehensive Economic and Trade Agreement’ to European integration and the world trade round.

Deutsche Industrie- und Handelskammertag (DIHK - Association of German Chambers of Industry and Commerce)

The DIHK is the umbrella organisation of the 80 German Industrie- und Handelskammern (IHK - Chambers of Industry and Commerce), which are the first point of contact for enterprises in all foreign trade issues. The DIHK represents the economic policy interests of German business vis-à-vis the Federal Government and abroad. The DIHK provides information on foreign trade through numerous publications and events. Together with other partners, it is the supporting organisation for various regional initiatives of German business and is involved in several enterprises which provide direct advice to enterprises in the field of foreign trade. The DIHK serves the German Chambers of Commerce Abroad (AHK) as well as delegates and representatives of German business at 120 locations in 80 countries. IHK, AHK and DIHK together form a strong network for the promotion of foreign trade.

AHK

Under the AHK service brand DEinternational, enterprises worldwide receive professional advice and support for the successful establishment and expansion of their business activities abroad. The AHK has many years of experience in foreign markets and is a reliable partner for enterprises in initiating business. The AHK forms a bridge between markets and cultures, the employees are always bilingual and know the opportunities and risks for export business.

AUMA Ausstellungs- und Messe-Ausschuss der Deutschen Wirtschaft e.V.

(AUMA - Exhibition and Trade Fair Committee of the German Economy e.V.)

AUMA is the Association of the German Trade Fair Industry and unites all the forces that shape the trade fair market as partners. Founded in 1907, it represents the interests of 74 members at national and international level. These include trade fair organisers and associations representing exhibitors, service companies and visitors. The common goal is that first, trade fairs are the best marketing instrument for the exhibiting and visiting industry; second, Germany as a trade fair location is the world leader with its international events; and third, trade fairs organised by German organisers abroad are leading.

State-Related Enterprises

KfW – Bankengruppe (KfW – Bank Group)

As a promotional bank, KfW supports change and drives forward forward-looking ideas - in Germany, in Europe and around the world. In developing and newly industrialising countries, it supports the establishment of functioning framework conditions and a corresponding economic and social infrastructure. In addition to poverty reduction and climate protection, it supports the German and European economy and finances business investments, exports and imports. Subunits KfW IPEX-Bank, DEG – Deutsche Investitions- und Entwicklungsgesellschaft (DEG - German Investment and Development Corporation) and the KfW Entwicklungsbank ('KfW Developmentbank') provide support to enterprises. KfW IPEX-Bank in particular offers tailor-made financing for the German and European economy in the form of export and project finance.

Euler Hermes (EH)

Euler Hermes is a credit insurance group. On behalf of the German government, EH informs and advises the German business community on all questions relating to the hedging of its foreign business. The export credit guarantees ('Hermes insurance') cover German exporters and the banks financing them against political and commercial risks. Tailor-made and reliable protection against buyer and country risks are the main advantages of the state export credit guarantees. Guarantees for untied loans support eligible raw material projects abroad.

PricewaterhouseCoopers (PwC)

For decades, the Federal Government has been supporting German business with state guarantees for foreign investments abroad. This foreign trade and investment support provides enterprises and banks with individual protection for their foreign activities. Investment guarantees are an important element in the financing and risk management of foreign projects. They prove to be an efficient instrument to protect against political risks in difficult phases. The German Government acts as a strong partner of German business not only in the financing phase but also in the run-up to an imminent loss. On behalf of the Federal Government, PwC is responsible for the implementation and processing of this funding measure as mandated by the Federal Government. PwC is the direct contact for investors and banks in all matters relating to foreign business insurance.

Using the classification introduced in chapter 2.4.3 and complemented by a further aspect, political interventions, the actors just described can be grouped into the classification of FTIP instruments as follows in table 10 (Ahmed & Brennan, 2019; Diamantopoulos et al., 1993; Kotabe & Czinkota, 1992; Shamsuddoha, 2004; Shamsuddoha et al., 2009). The investigation of the available actuators in the government support network has shown that the classification was not sufficient, due to other fields of activity. In the further investigation, in particular the qualitative study, this classification was reviewed again and, if necessary, supplemented and amended before this classification was incorporated into the overall development of the comprehensive government support scheme.

Table 10: Categorisation of Government Actors in the German Funding Scheme

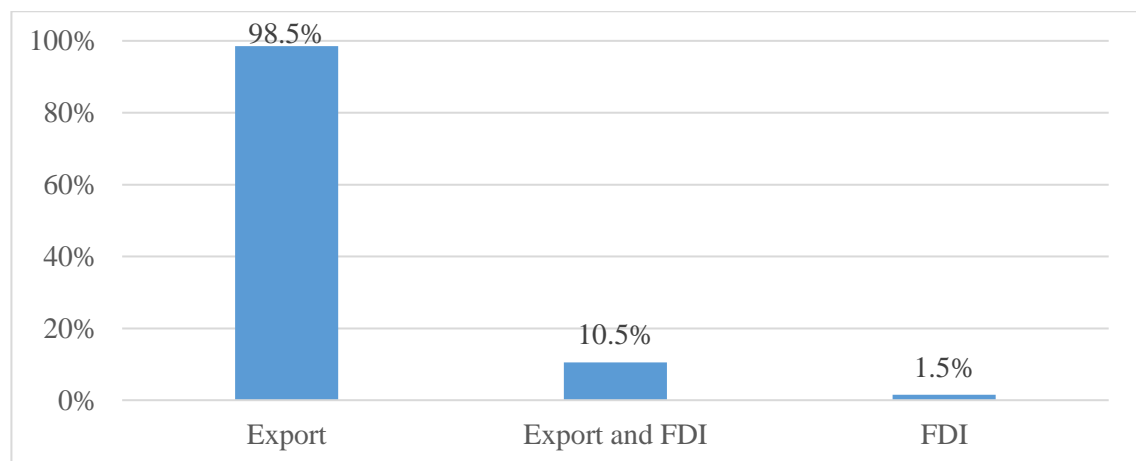
	Indirect/ Direct financial Instruments	Market Development Instruments	Technological Instruments	Political Intervention Instruments
BMWI			X	X
GTAI		X		X
Bw-i		X		X
L-Bank	X		X	
BDI		X	X	X
(D)IHK		X	X	X
AHK		X	X	X
AUMA		X		
KfW	X		X	
EH	X			
PwC	X			

4.3 Preliminary Findings of the Web Survey

4.3.1 Internationalisation Activities

In general, it is evident that the international activities of SMEs were strongly focused on the export sector. The responses to the questionnaires showed that 98.5% of the enterprises were active in export and 10.5% of the enterprises were active in export and FDI. Only 1.5% of the enterprises stated that they were active solely in FDI activities (see figure 19).

Figure 19: Internationalisation Activities



Note: [Cases=456], Source: Web Survey.

4.3.2 Export Activities

As chapter 2.2.2 of the literature review (Basics of Internationalisation of SMEs) showed, international activities of enterprises are characterised by motives but also by internal and external barriers as well as various risks. In order to operate successfully on the market, enterprises must react to these barriers and risks, to which enterprises must react.

4.3.2.1 Motives, Barriers and Risks

The export activities of the enterprises were largely determined by the customer's requests, this means the need for export activities was based on a market pull effect.

Furthermore, the majority of the enterprises pursued the development of new sales channels with their export activities. Both motives were mentioned by more than two thirds of the enterprises. The other motives, which are shown in table 11, were much less frequent. Particularly noteworthy are increased capacity utilisation and risk diversification by distribution of sales markets, both of which were mentioned by about one third of the enterprises. Reputational gains, on the other hand, were cited by only 8.5% of the enterprises. Looking at the section *Other*, it was noticeable that in some cases brand awareness was still mentioned, which basically corresponds very closely to the already mentioned motive reputational gains. Another aspect that was mentioned more often in the section *Other* was the profit and the possibility to achieve turnover or profit.

Table 11: Motives for Export Activities

Motives	Total (Percent of Cases)
Customer Request	73.5
Opening up New Sales Channels	69.0
Increased Capacity Utilisation	32.1
Risk Diversification by Distribution of Sales Markets	29.4
Reputational Gains	14.8
Integration in International (Production) Networks	8.5
Stimuli for Innovations	7.9
Other	3.6

Note: Multiple Selection [Cases=445], Source: Web Survey.

The motives for export activities were contrasted with the barriers and risks that have a negative impact on the export activities of enterprises (see table 12). By far the most frequently mentioned barrier is the difficulty in finding new business partners abroad. Every second enterprise has confirmed this in its assessment. Insufficient management capacities, which make it difficult for enterprises to export, were cited as the second most common barrier (approximately 40%). In addition to pure capacities, one third of the enterprises also stated that they did not have sufficient knowledge of appropriate marketing and sales strategies in the target country. This barrier was also confirmed by other internal barriers, e.g. the lack of qualified employees in Germany (24.5%), insufficient knowledge of culture and language in the target country (19.1%) and

difficulties in adapting products and services (9.8%). In contrast to the internal and external barriers, the three main risks legal risks, economic risks and political risks range between 20% and 30%. Insufficient financing resources were cited as a barrier by almost 15% of the enterprises.

Table 12: Barriers and Risks for Export Activities

Barriers and Risks	Total (Percent of Cases)
Difficulties in Finding New Business Partners Abroad	49.8
Insufficient Management Capacities	41.4
Insufficient Knowledge of Appropriate Marketing and Sales Strategies in the Target Country	33.6
Legal Risks	28.2
Economic Risks (e.g. Lack of Information about Foreign Buyers Leads to Default of Payment)	25.9
Lack of Qualified Employees in Germany	24.5
Political Risks	21.2
Too High Total Costs	20.9
Management/Control is too Complex	20.2
Insufficient Knowledge of Culture and Language in the Target Country	19.1
Insufficient Financing Resources	13.9
Other	10.2
Difficulties in Adapting Products and Services	9.8

Note: Multiple Selection [Cases=404], Source: Web Survey.

4.3.2.2 Reasons for Stopping Export Activities

40.4% (valid percent) of the enterprises (N=423) have indicated that they have stopped exporting at least once. Table 13 contains the reasons for stopping export activities.

Table 13: Reasons for Stopping Export Activities

Reasons	Total (Percent of Cases)
Risk of Payment Default	36.8
Amount of Bureaucracy/Administrative Barriers	29.2
Inaccurate Appraisal of Market Opportunities	26.9
Insufficient Legal Certainty	25.7
Low Cash Flow	25.7
Corruption and Unfair Competitive Practices	17.0
Political Risks in the Target Country	15.8
Other	15.2
Unfavourable Price Development in the Target Country	13.5
Currency Risks	7.0
Insufficient Qualification of Own Employees	5.3
Failure to Meet one's Own Quality Requirements	2.3

Note: Multiple Selection [Cases=171], Source: Web Survey.

As regards the reasons for stopping an export activity, it is evident that the majority of reasons were external related. First of all, the risk of payment default was mentioned. Overall, just over one third (36.8%) of enterprises have already stopped exporting for this reason. This reason was immediately followed by several reasons, such as amount of bureaucracy/administrative barriers (29.2%), inaccurate appraisal of market opportunities (26.9%), insufficient legal certainty (25.7%) and low cash flow (25.7%), which were rated as having a negative impact by about one quarter of the enterprises.

Corruption and unfair competitive practices abroad as well as the political risks, which were mentioned by 17.0% respectively 15.8% of the enterprises, should also be highlighted as support to reduce corruption and political risks is often provided by government organisations. Financial related reasons were also perceived by enterprises in the form of unfavourable price development in the target country (13.5%) and currency

risks (7.0%). The two reasons insufficient qualification of own employees (5.3%) as well as failures to meet one's own quality requirements (2.3%) were considered to be less serious by the enterprises.

In the section *Other*, the subject of embargo, which plays a major role, was mentioned more often. An embargo can also be subsumed under political risks.

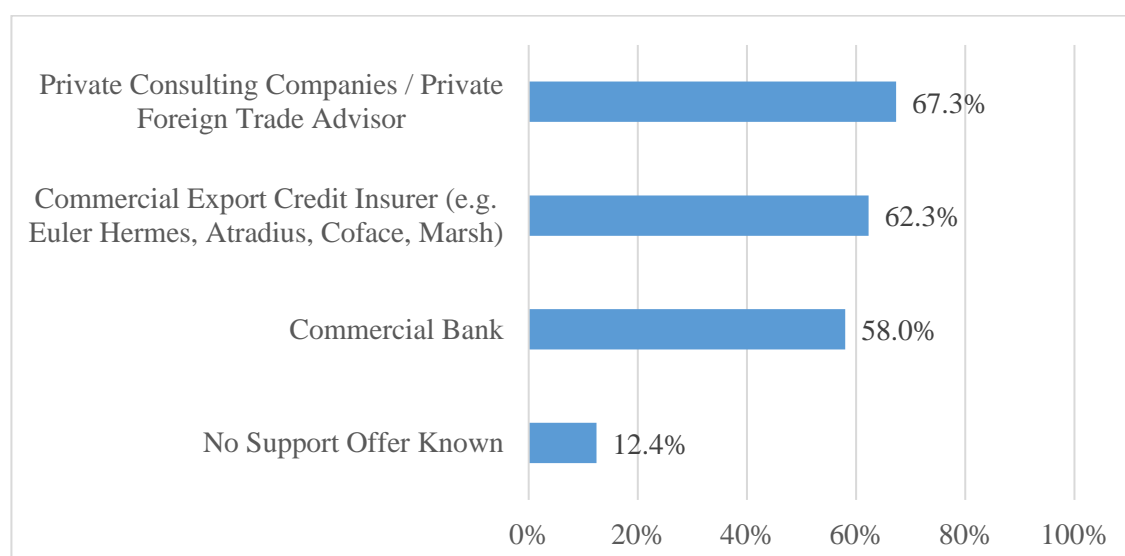
4.3.3 Export Support

In order to overcome or reduce internal and external barriers as well as risks, enterprises rely not only on internal resources but also on external resources. In the following, the findings on private organisations as well as governmental organisations that can contribute to the accomplishment of these tasks are presented. As the literature review has shown, external support can be provided by various organisations, both private enterprises and governmental organisations. A brief insight into private support served to identify any differences between private and public support, which, if relevant, were discussed in the following implications of the web survey. In addition, an isolated survey of private and public support led to a greater discriminatory power in the answers to the questions.

4.3.3.1 Private Support

In the area of private support, business consultants, private export credit insurers and house banks were similarly well known, although it was surprising that the figures range only between 58.0% and 67.3%. It was also striking that in 12.4% of cases no support offer was known (see figure 20).

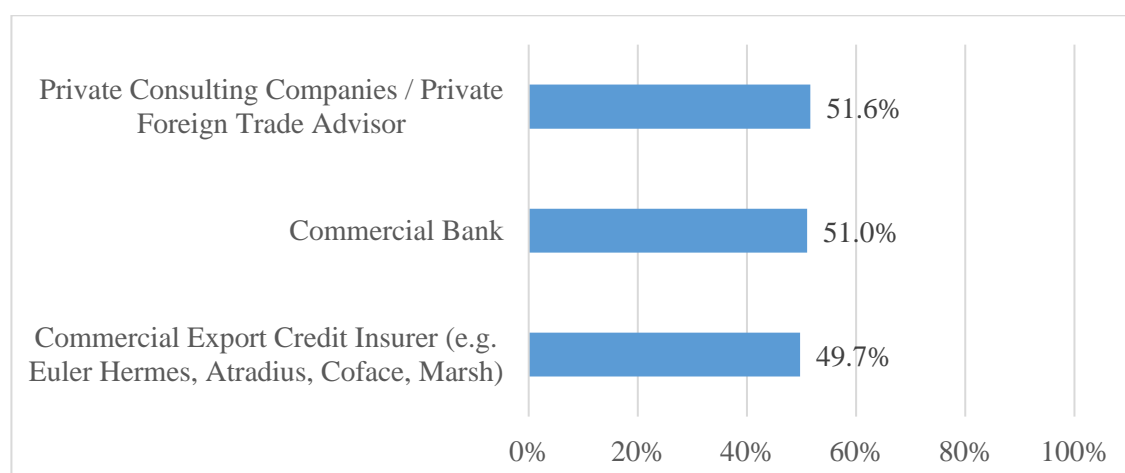
Figure 20: Awareness of Private Organisations for Export Activities



Note: Multiple Selection [Cases=443], Source: Web Survey.

The in-depth investigation reveals that 40.8% of the enterprises (N=380), which are aware of private support schemes, have already made use of at least one of them (see figure 21). Looking at the private support organisations used, it is clear that they were used in a very balanced way overall. However, it was also shown that all three categories of private support organisations mentioned were only used by about 50% of the cases.

Figure 21: Private Organisations Used for Export Activities



Note: Multiple Selection [Cases=155], Source: Web Survey.

On the other hand, when enterprises have not yet made use of private financing, enterprises assessed the reasons given as follows in table 14. Apart from the obvious answer that there is no need for support, it is very clear that, on the one hand, almost 19.5% of enterprises concluded that there was no suitable offer and, on the other hand, about 16% of enterprises stated that the administrative procedures were too complex.

Furthermore 7.3% of the enterprises stated that no support offer is known. In the section *Other*, the enterprises highlighted in particular the costs, which, moreover, are not in line with the real service provided thereafter.

Table 14: Reasons for Non-Use of Private Organisations for Export Activities

Reasons	Total (Percent of Cases)
No Need	70.5
No Suitable Offers	19.5
Administrative Processes too Complex	16.4
No Offers Known	7.3
Other	4.1

Note: Multiple Selection [Cases=220], Source: Web Survey.

In order to conclude the private support topic for exports and subsequently to counteract the findings with governmental backed organisations, an evaluation of the private support services for export activities was carried out (see table 15). The focus was on the following criteria: awareness, initiation phase, agreement phase, the product as well as the digitisation. In principle, the three successive phases of awareness, initiation and agreement showed a positive tendency, albeit with a need for optimisation. The assessment of the quality of the products was inconsistent, and here, too, it was possible to deduce a need to catch up. In comparison, digitisation was even rated slightly less well.

Table 15: Evaluation of Private Support for Export

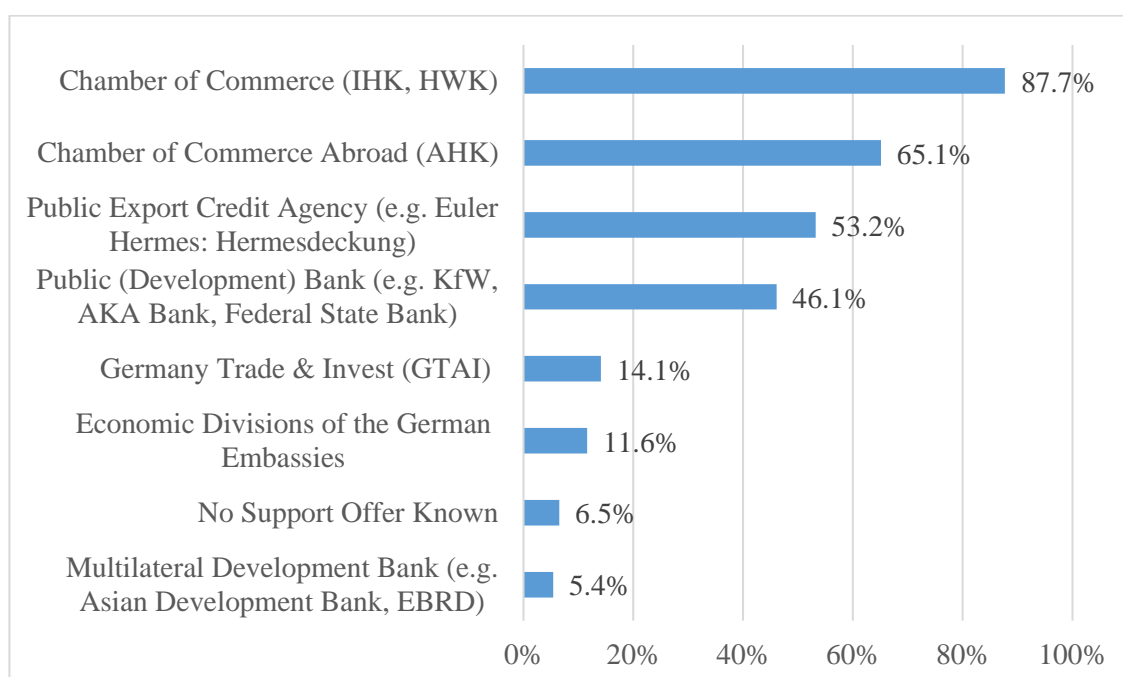
	1	2	3	4	5
	(In Valid Percent)				
Awareness Phase: [Cases=137] Finding the right support was: 1 = very easy / 5 = very difficult	24.8	39.4	25.5	7.3	2.9
Initiation Phase: [Cases=137] Making a contact was: 1 = very easy / 5 = very difficult	34.3	40.1	16.1	7.3	2.2
Agreement Phase: [Cases=133] The administrative processes were: 1 = very easy / 5 = very difficult	13.5	33.1	40.6	9.8	3.0
Product: [Cases=132] The quality of the support provided was: 1 = very good / 5 = very bad	13.6	35.6	31.8	14.4	4.5
Digitisation: [Cases=115] The digitisation of the administrative processes was: 1 = very high / 5 = very low	6.1	26.1	31.3	19.1	17.4

Source: Web Survey.

4.3.3.2 Government Network Support

The responses from enterprises have shown that there are considerable differences in the awareness of the actors in the government support network (see figure 22). It was evident that membership organisations such as the Chamber of Commerce (78.7%) and the Chamber of Commerce Abroad (65.1%) were by far the most known. Public export agencies (53.2%) and public development banks (46.1%) follow by some distance. In the case of the other organisations, there was already a clearer gradation from the organisations mentioned so far. Subsequently, there was a clear gradation to the GTAI (14.1%), the central point of contact for government support as well as the economic divisions of the German embassies (11.6%). A total of 6.5% did not even know a government support organisation. Moreover, a multilateral development bank such as the EBRD was known to only 5.4% of the enterprises surveyed.

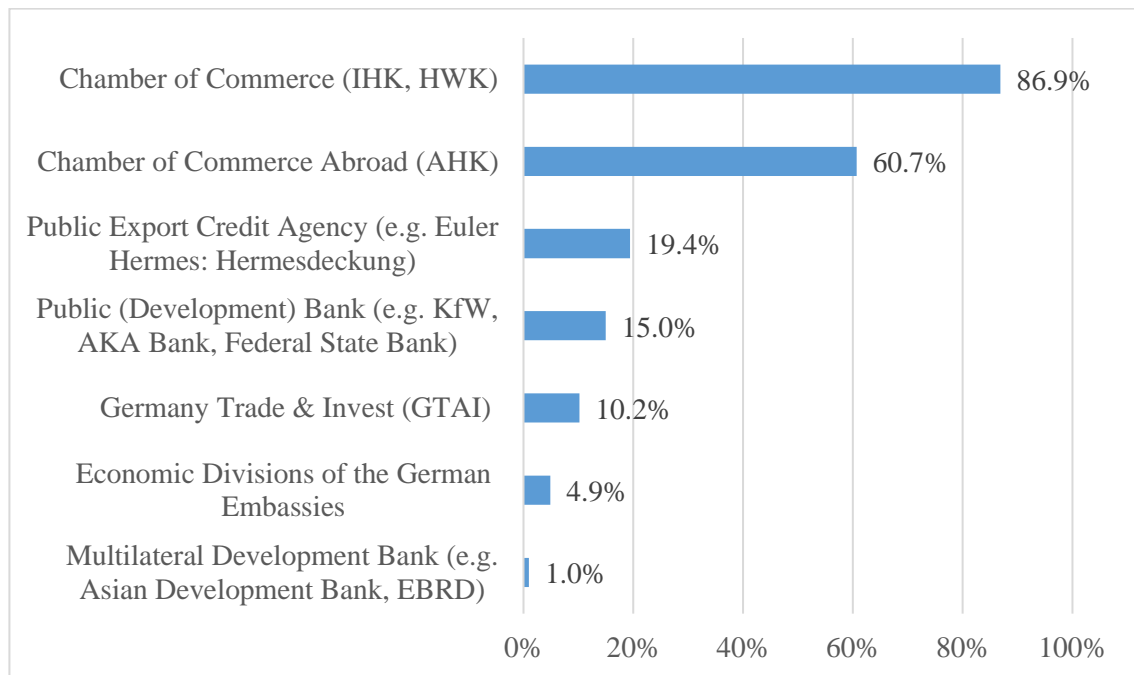
Figure 22: Awareness of Government Support Network Organisations for Export



Note: Multiple Selection [Cases=447], Source: Web Survey.

Further analysis showed that 50.2% of the enterprises surveyed [N=410] had already used support from government related organisations. This analysis also showed that the distribution of the governmental organisations used is similar to the distribution of the awareness just presented (see figure 23). It is also evident that the Chamber of Commerce (86.9%) and the Chamber of Commerce Abroad (60.7%) are by far the most frequently used organisations as well. It became clear, however, that the other governmental organisations were only used to a very small extent and thus differ considerably in terms of awareness from the organisations. None of the other governmental organisations were used in more than 20% of cases, with central organisations in particular being used very rarely: Public export credit agency (19.4%), public development bank (15.0%), GTAI (10.2%), economic divisions of the German embassies (4.9%) and the multilateral development banks (1.0%).

Figure 23: Government Support Network Organisations Used for Export Activities



Note: Multiple Selection [Cases=206], Source: Web Survey.

Due to the fact that government support was only used to a limited extent, a further analysis of the reasons for non-use revealed the following findings. The lack of need was also the most frequently cited reason for not taking advantage of government support. However, it could already be seen, in comparison with private organisations, that the complexity of the administrative processes (25.2% vs. 16.4%) had a clear influence on the non-use of the support organisations. In addition, no suitable offers were still given by 18.8% of enterprises, followed by the fact that no programmes were known (10.9%). In the section *Other* (2.9%), the enterprises stated the following reasons, such as the incompetence of the organisations, no own capacity, great effort or even that small enterprises do not get any chances to get the support (see table 16).

Table 16: Reasons for Non-Use of Government Support for Export Activities

Reasons	Total (Percent of Cases)
No Need	64.4
Administrative Processes too Complex	25.2
No Suitable Offers	18.8
No Offers Known	10.9
Other	2.5

Note: Multiple Selection [Cases=202], Source: Web Survey.

The evaluation of the services of the government support network by the enterprises surveyed led to the following results presented in table 17. The criteria awareness, initiation phase, agreement phase, the product as well as the digitisation were also used here. Overall, it can be seen that the quality of the individual aspects was not fundamentally evaluated as particularly weak, but there is clear potential for improvement across all areas. The three phases of awareness, initiation and agreement, which are partly interrelated, were similar in their various forms, although there were of course differences. It is worth mentioning that of the three phases, the agreement phase was the least easily evaluated. Overall, however, it is evident that there is sufficient room for improvement within all three phases according to the enterprises. A similar assessment was made with regard to the quality of support products. Here, too, it became apparent that the enterprises do not generally describe the quality as bad, but it was nevertheless possible to deduce that an improvement in quality is desired. The evaluation related to the digitisation of administrative processes showed that there is a greater need to catch up and to optimise. 26.8% of the enterprises stated that they rated digitisation as poor or very poor.

Table 17: Evaluation of Government Support for Export

	1	2	3	4	5
	(In Valid Percent)				
Awareness Phase: [Cases=196] Finding the right support was: 1 = very easy / 5 = very difficult	28.6	38.3	21.9	6.6	4.6
Initiation Phase: [Cases=191] Making a contact was: 1 = very easy / 5 = very difficult	34.0	39.8	16.8	5.2	4.2
Agreement Phase: [Cases=184] The administrative processes were: 1 = very easy / 5 = very difficult	18.5	38.0	30.4	8.2	4.9
Product: [Cases=188] The quality of the support provided was: 1 = very good / 5 = very bad	13.8	42.0	28.7	11.7	3.7
Digitisation: [Cases=153] The digitisation of the administrative processes was: 1 = very high / 5 = very low	9.2	26.8	37.3	15.7	11.1

Source: Web Survey.

In a further question it was analysed who carried out the administrative processes in relation to the programmes used. It could be noted that in approximately two third (65.5%) of the cases, the enterprises carried out the administrative handling in-house. A combined implementation of administrative processes combining own personnel and external private enterprises (private consulting companies/private foreign trade advisor/commercial bank) was handled by 34.0% of the enterprises. Only 9.0% of enterprises fully transferred the execution of processes to external sources such as private consulting companies/private foreign trade advisor/commercial banks (see table 18).

Table 18: Processing Units of Government Support Network Service

Processing	Total (Percent of Cases)
In-House	65.5
In-House, supported by Private Consulting Companies/Private Foreign Trade Advisor/Commercial Bank	34.0
Private Consulting Companies/Private Foreign Trade Advisor/Commercial Bank	9.0

Note: Multiple Selection [Cases=200], Source: Web Survey.

4.3.3.3 Future Support Need

In order to derive economic policy recommendations, enterprises active abroad could indicate in which areas they currently have a priority need for action in relation to their export activities. Law/tariffs/dealing with government agencies was identified by 59.0% of enterprises as the main need for support. Finding new partners abroad, were mentioned by 52.5% of the enterprises surveyed. In addition to finding new partners, almost 37% of the enterprises considered the conducting of market and competitive analyses as worthy of support. Further market-development related fields of activity were also indicated as a need for support: Marketing/sales (25%), fairs/exhibitions (24.3%) as well as communication with experienced enterprises (21.2%). In the finance related areas, enterprises indicated that there is a need for hedging/insurance and financing (12.4%). For economic policy fields such as corruption avoidance (12.8%) and support in the run-up to political decisions (4.7%), an explicit need on the part of enterprises was also indicated. Staff recruitment (7.9%) and staff training (3.4%) were only reported by a very small number of enterprises. Only 9.7% of the enterprises stated that no future government support is required. In general, these figures indicated that there is a strong need for urgent action (see table 19).

Table 19: Future Support Need for Export Activities

Need for Support	Total (Percent of Cases)
Law/Tariffs/Dealing with Government Agencies	59.0
Finding New Partners Abroad	52.5

Market and Competitive Analyses	36.5
Hedging/Insurance	28.8
Marketing/Sales	25.0
Fairs/Exhibitions	24.3
Communication with Experienced Enterprises	21.2
Corruption Avoidance	12.8
Financing	12.4
No Support Required	9.7
Staff Recruitment	7.9
Support in the Run-Up to Political Decisions	4.7
Training	3.4

Note: [Cases=444], Source: Web Survey.

4.3.4 FDI Activities

Similar to export activities, foreign direct investments are characterised by motives, barriers and risks that have a significant impact on the international activities of SMEs.

In order to improve the understanding of the findings, it should be noted that the analysis of the survey (cf. chapter 4.3.1) showed that only 10.65% of the enterprises surveyed also had FDI activities and were therefore able to provide information on this part of the study. Nevertheless, it has been advantageous to look at them in isolation in order to take account of any differences between export and FDI activities and, in the case of activities which are examined as a whole, to take account of their individual characteristics. Due to this partly low response rate, the findings may appear incomplete or distorted.

4.3.4.1 Motives, Barriers and Risks

The main motives cited by enterprises for FDI activities were the benefits of cost advantages abroad (63.5%), opening up new sales channels (51.9%) as well as the proximity to the customer (44.2%). Further motives, such as to follow important customers abroad or due to a customer request, follow with a clear gap, only about one fifth of the enterprises (19.2%) mentioned these motives. It is interesting to note that 17.3% of enterprises cited access to other production factors as capital, employees,

knowledge etc. as a motive, while pure access to raw material resources was cited by only 3.8% of enterprises. The enterprises also indicated further motives such as increased capacity utilisation (17.3%), avoiding tariff and non-tariff trade barriers (13.5%), integration in international (production) networks (13.5%), reputational gains (11.5%) and risk diversification by distribution of sales markets (9.6%) with less importance (see table 20).

Table 20: Motives for FDI Activities

Motives	Total (Percent of Cases)
Benefits of Cost Advantages Abroad	63.5
Opening up New Sales Channels	51.9
Customer Proximity	44.2
Follow Important Customers Abroad	19.2
Customer Request	19.2
Access to Other Production Factors as Capital, Employees, Knowledge etc.	17.3
Increased Capacity Utilisation	17.3
Avoiding Tariff and Non-Tariff Trade Barriers	13.5
Integration in International (Production) Networks	13.5
Reputational Gains	11.5
Risk Diversification by Distribution of Sales Markets	9.6
Other	7.7
Stimuli for Innovations	5.8
Access to Raw Material Resources	3.8

Note: Multiple Selection [Cases=52], Source: Web Survey.

As with export activities, FDI activities are also closely linked to barriers (internal/external) and risks (see table 21). 56.9% of the enterprises stated that lack of management capacity is the major barrier for FDI activities, followed by difficulties in finding new business partners abroad with 39.2%. The various risks to which FDI is subject are also worth mentioning: Legal risk (37.3%), political risks (29.4%) as well as economic risks (19.6%). Furthermore 31.4% of the enterprises have declared that the total cost of FDI is too high and that the venture is therefore not profitable. In addition,

enterprises have seen personnel barriers both in the target country and in the home country. For example, the insufficient knowledge of appropriate marketing and sales strategies in the target country (27.5%) was a barrier, but also the lack of staff of appropriate quality in Germany (25.5%).

In addition 17.6% of the enterprises noted that the management and the control of the FDI activities is too complex and 15.7% indicated that they suffer difficulties in adapting products and services. It is also interesting to note here that insufficient knowledge of culture and language in the target country is mentioned only by 7.8% of the enterprises. The section *Other* with 9.8% contained barriers such as lack of orders or that the enterprise is simply no longer interested in an FDI.

Table 21: Barriers and Risks for FDI Activities

Barriers and Risks	Total (Percent of Cases)
Insufficient Management Capacities	56.9
Difficulties in Finding New Business Partners Abroad	39.2
Legal Risks	37.3
Too High Total Costs	31.4
Political Risks	29.4
Insufficient Knowledge of Appropriate Marketing and Sales Strategies in the Target Country	27.5
Lack of Qualified Employees in Germany	25.5
Economic Risks (e.g. Lack of Information about Foreign Buyers Leads to Default of Payment)	19.6
Management/Control is too Complex	17.6
Difficulties in Adapting Products and Services	15.7
Other	9.8
Insufficient Knowledge of Culture and Language in the Target Country	7.8

Note: Multiple selection [Cases=51], Source: Web Survey.

4.3.4.2 Reasons for Stopping FDI

38.5% (valid percent) of enterprises have indicated that they have stopped FDI activities at least once. In the following table 22, the reasons for at least one cancellation of an FDI activity are listed.

Table 22: Reasons for Stopping FDI Activities

Reasons	Total (Percent of Cases)
Insufficient Qualification of Own Employees	31.6
Unfavourable Price and Wage Development in the Target Country	31.6
Other	31.6
Inaccurate Appraisal of Market Opportunities	26.3
Political Risks in the Target Country	15.8
Failure to Meet one's Own Quality Requirements	15.8
Amount of Bureaucracy/Administrative Barriers	10.5
Insufficient Legal Certainty	10.5
Reliability of Other Suppliers	10.5
Corruption and Unfair Competitive Practices	5.3
Currency Risks	0.0
Risk of Payment Default	0.0
Reliability of Energy/Raw Material Supply	0.0

Note: Multiple Selection [Cases=19], Source: Web Survey.

The table shows that none of the above reasons was really mentioned by a majority of the enterprises.

The enterprises questioned stated that in particular the insufficient qualification of own employees and the unfavourable price and wage development in the target country are the main threats for foreign direct investments. Approximately one third of the enterprises cited these two reasons among others. The enterprises also indicated the inaccurate appraisal of market opportunities (26.3%), political risks in the target country (15.8%) as well as failures to meet one's own quality requirements (15.8%) as reasons why they have already stopped FDI activities. Relatively rare, but nevertheless interesting, was the

statement that 10.8% of the enterprises see the amount of bureaucracy/administrative barriers, insufficient legal certainties and the reliability of the suppliers as barriers to their foreign direct investments. Corruption and unfair competitive practices still named 5.3% of enterprises as negative influences. Currency risks, risk of payment default, reliability of energy/raw material supply was not mentioned by the enterprises, but the small number of cases should be mentioned here, so that a complete exclusion of these reasons cannot be derived.

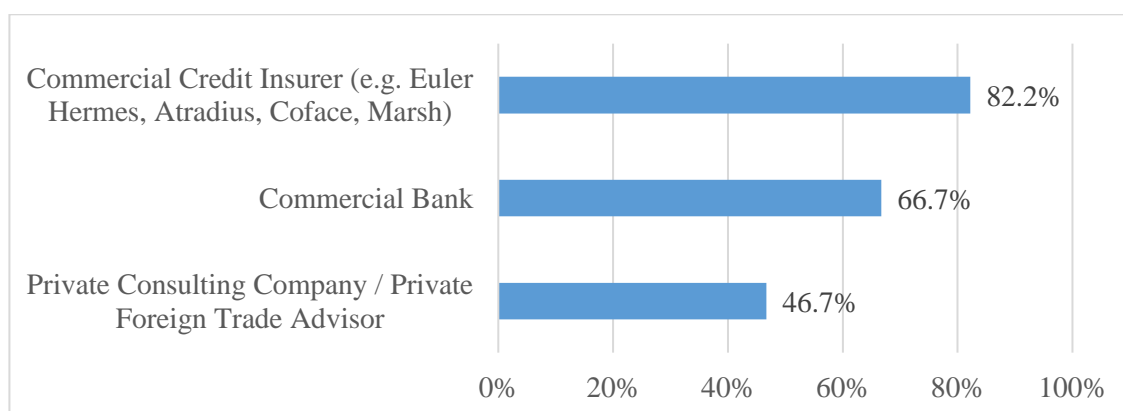
4.3.5 FDI Support

As in the case of export activities, there are numerous private as well as governmental organisations that support enterprises in overcoming or reducing internal and external barriers and risks. It is often not possible to mitigate barriers and risks purely from internal resources. Here too, a brief insight into private support serves to better classify the government support offers within the overall support landscape.

4.3.5.1 Private Support

With regard to private support services, commercial credit insurers were clearly the most well-known (82.2%) private support. Commercial banks, on the other hand, were only known by 66.7% of enterprises, followed by private consulting companies/private foreign trade advisor with 46.7% (see figure 24).

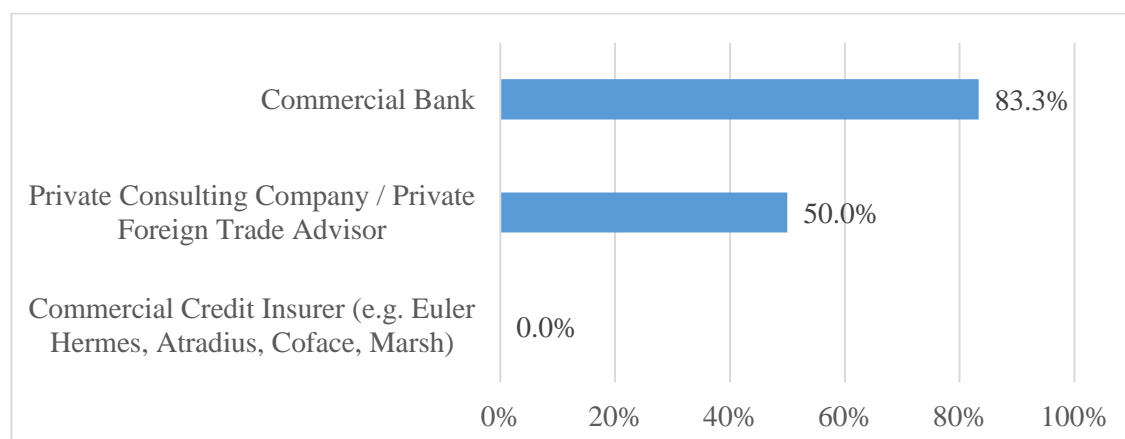
Figure 24: Awareness of Private Organisations for FDI Activities



Note: Multiple Selection [Cases=45], Source: Web Survey.

A look at the enterprises that have been aware of private funding programmes showed that 14.29% of the enterprises [N=42] have already used at least one of the support organisations/instruments.

Figure 25: Private Organisations Used for FDI Activities



Note: Multiple Selection [Cases=6], Source: Web Survey.

The responses in figure 25 showed that 83.3% of the enterprises have already used private support from commercial banks. Moreover, private consulting companies/private foreign trade advisors were already used by at least one in two enterprises, while support from commercial credit insurers was not mentioned.

Questioned about the reasons for not taking up the offers, 85.7% of the enterprises stated that there was no need for funding on their part (see table 23). Only 8.6% of enterprises said that the related administrative processes are too complex and therefore they did not apply for private funding. Also 8.6% of the enterprises chose the selection *Other* reasons. An example of another reason in this category was that "a chamber of commerce or a house bank is not able to train service staff". Very similar to this particular reason is the category no suitable offers, which was also mentioned by 5.7% of enterprises as a reason for not using private funding programmes. Only 2.9% of enterprises also stated that no offers were known at all.

Table 23: Reasons for Non-Use of Private Organisations for FDI Activities

Reasons	Total (Percent of Cases)
No Need	85.7
Administrative Processes too Complex	8.6
Other	8.6
No Suitable Offers	5.7
No Offers Known	2.9

Note: Multiple Selection [Cases=35], Source: Web Survey.

When assessing the performance of private support organisations, the small number of cases in particular should be noted, which makes a detailed analysis difficult. Nevertheless, it is clear that across all the evaluation criteria there is no uniform perception of quality across the enterprises surveyed. The enterprises assessed the five different criteria very differently, but it can be seen that at least the majority of the enterprises surveyed see a need for optimisation (see table 24).

Table 24: Evaluation of Private Support for FDI

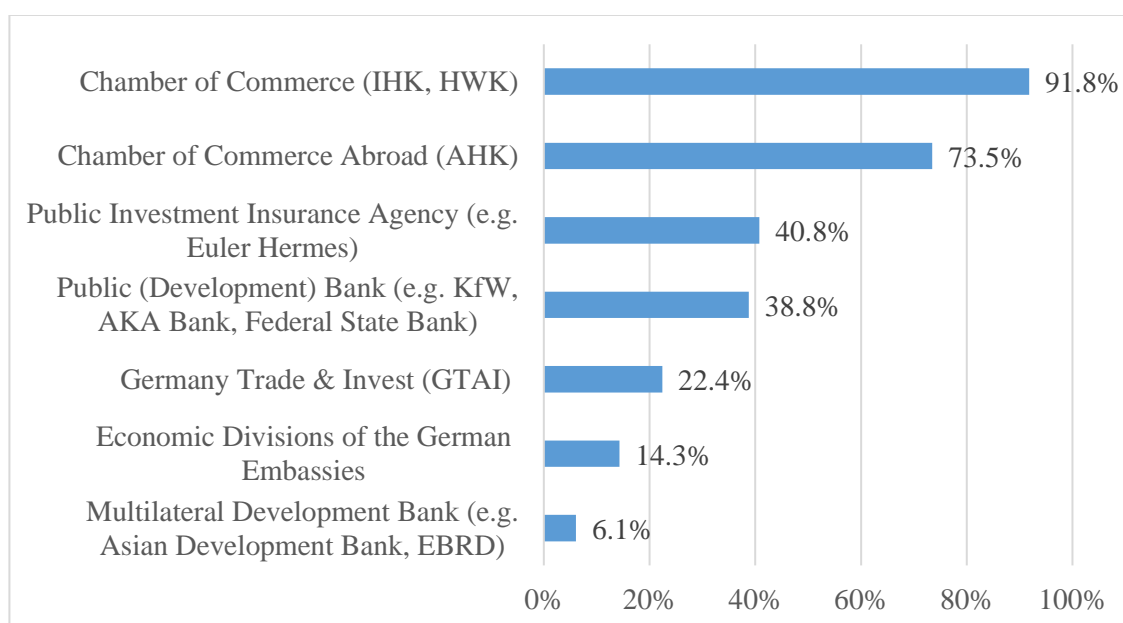
	1	2	3	4	5
	(In Valid Percent)				
Awareness Phase: [Cases=6] Finding the right support was: 1 = very easy / 5 = very difficult	0.0	50.0	33.3	16.7	0.0
Initiation Phase: [Cases=6] Making a contact was: 1 = very easy / 5 = very difficult	16.7	50.0	16.7	16.7	0.0
Agreement Phase: [Cases=6] The administrative processes were: 1 = very easy / 5 = very difficult	16.7	50.0	16.7	0.0	16.7
Product: [Cases=6] The quality of the support provided was: 1 = very good / 5 = very bad	16.7	50.0	16.7	0.0	16.7
Digitisation: [Cases=4] The digitisation of the administrative processes was: 1 = very high / 5 = very low	25.0	25.0	25.0	0.0	25.0

Source: Web Survey.

4.3.5.2 Government Network Support

Regarding government support in the context of foreign direct investments, it became evident that the Chamber of Commerce and the Chamber of Commerce Abroad are particularly well-known among enterprises (see figure 26). The Chamber of Commerce was even known for 92.8%, followed by the internationally based counterparts Chambers of Commerce Abroad with 73.5%. Almost every second enterprise stated that it was aware of the public investment insurance agencies (40.8%) and the public development banks (38.8%). It is also obvious at this point of the survey that only 22.4% of enterprises were aware of the GTAI, the central government funding organisation for trade and investments. Only 14.3% of the enterprises in this government support system were aware of the role of the economic divisions of the German embassies, which mainly deal with economic policy issues in the interest of the enterprises and therefore also support them. Moreover, only 6.1% of the enterprises surveyed were aware of multilateral development banks, which are often the driving force behind foreign direct investment activities.

Figure 26: Awareness of Government Support Network Organisations for FDI

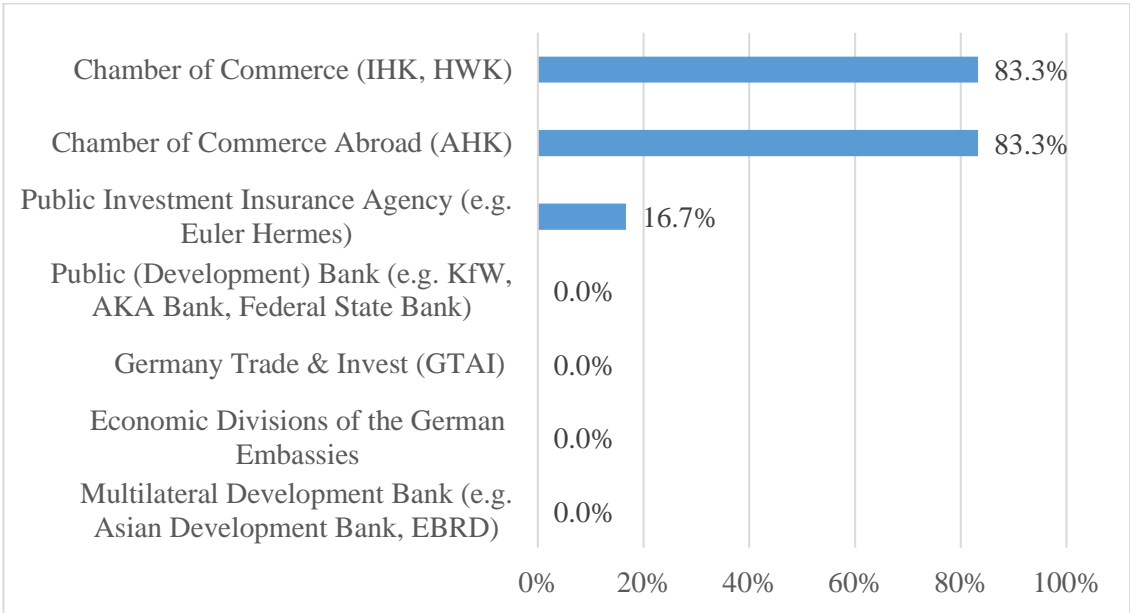


Note: Multiple Selection [Cases=49], Source: Web Survey.

Although a large number of enterprises [N=47] were aware of government based FDI funding organisations, only 12.8% of the enterprises have taken already advantage of the governmental organisations' funding instruments. Even though the data basis was equally

small due to the small number of cases, the answers of the enterprises involved indicated a trend. 83.3% of enterprises indicated that they had already used the services of the Chambers of Commerce and the Chambers of Commerce Abroad to support their own FDI activities. Furthermore the public investment insurance agency was also used from the state promotion network by 16.7% of the enterprises. The other very important government support organisations such as the public development banks, Germany Trade & Invest, the economic divisions of the German embassies or multilateral investment banks were not used by any of the enterprises (see figure 27).

Figure 27: Government Support Network Organisations Used for FDI Activities



Note: Multiple Selection [Cases=6], Source: Web Survey.

On a much larger data basis, as this follow-up question was shown to more enterprises in the questionnaire, the enterprises questioned stated why no government support had yet been taken up by the various support organisations (see table 25). The majority of enterprises (80.0%) had no need at all to use support programmes. The other reasons why FDI funding organisations have not yet been used followed at a considerable distance. In 15.0% of the cases, enterprises found the administrative procedures too complex and therefore did not use the offers. In 12.5% of the cases the enterprises did not have suitable offers for their own FDI activities and in 10.0% of the cases no suitable governmental

offers were known. The enterprises have not given any further reasons in the section *Other*.

Table 25: Reasons for Non-Use of Government Support for FDI Activities

Reasons	Total (Percent of Cases)
No Need	80.0
Administrative Processes too Complex	15.0
No Suitable Offers	12.5
No Offers Known	10.0
Other	0.0

Note: Multiple Selection [Cases=40], Source: Web Survey.

Similar to the evaluation of private funding and funding services, the smaller number of cases meant that the data basis could only be generalised to a limited extent. Nevertheless, there was a tendency here, too, which had to be taken into account. The awareness, initiation and agreement phase was assessed neutrally to rather positively, there was no negative assessment at all. In their assessment of the quality of the product/service offered, the enterprises gave a rather neutral evaluation, and also gave a very good rating. On the other hand, when evaluating the digitisation of administrative processes, enterprises gave a rather neutral to negative assessment (see table 26).

Table 26: Evaluation of Government Support for FDI

	1	2	3	4	5
	(In Valid Percent)				
Awareness Phase: [Cases=6] Finding the right support was: 1 = very easy / 5 = very difficult	16.7	66.7	16.7	0.0	0.0
Initiation Phase: [Cases=6] Making a contact was: 1 = very easy / 5 = very difficult	16.7	66.7	16.7	0.0	0.0
Agreement Phase: [Cases=6] The administrative processes were: 1 = very easy / 5 = very difficult	16.7	16.7	66.7	0.0	0.0

Product: [Cases=6] The quality of the support provided was: 1 = very good / 5 = very bad	16.7	0.0	83.3	0.0	0.0
Digitisation: [Cases=6] The digitisation of the administrative processes was: 1 = very high / 5 = very low	16.7	0.0	50.0	16.7	16.7

Source: Web Survey.

Questioned about the implementation of administrative processes, 83.3% of the enterprises stated that the activities were carried out entirely in-house (see table 27). In 33.3% of the cases a combined handling of the administrative processes was carried out both by the enterprises themselves and in cooperation with private consulting companies as well as commercial banks. On the other hand, none of the enterprises reported a complete outsourcing of the administrative processes related to governmental support for FDI activities.

Table 27: Processing Units of Government Support Network Service

Processing	Total (Percent of Cases)
In-House	83.3
In-House, supported by Private Consulting Companies/Private Foreign Trade Advisor/Commercial Bank	33.3
Private Consulting Companies/Private Foreign Trade Advisor/Commercial Bank	0.0

Note: Multiple Selection [Cases=6], Source: Web Survey.

4.3.5.3 Future Support Need

The enterprises surveyed indicated that they see a constant need for support measures for their FDI activities in the future. All in all, it became clear that there is a pronounced need for future development in enterprises in a very wide range of business activities (see table 28).

Support in relation to law, tariffs and dealing with government agencies was the top priority which was indicated by 54.2% of the enterprises. The enterprises (43.8%) also saw an increased need for support in finding new partners abroad to expand FDI activities. In market and competitive analyses, 33.3% of the enterprises indicated a need. For FDI activities, 31.3% of enterprises also saw a need for support in recruiting suitable staff as this was perceived as difficult. The enterprises indicated a noticeable need for financial support topics. Hedging/insurance was cited by 27.1% of the enterprises and full financing by 25.0% of the enterprises. In addition to financial aspects, there was also a future need among enterprises for various marketing activities. General support for marketing and sales tasks was mentioned by 18.8%, whereas fairs and exhibitions were considered important by 14.6% of the enterprises surveyed. Other market-development needs such as connecting to enterprises with experience abroad were indicated as a need for support by 18.8% of enterprises. Although economic policy fields of action such as corruption avoidance (10.4%) and support in the run-up to political decisions (6.3%) were only partially mentioned, these fields of action are also an important component of state intervention. Only 4.2% said that they need support to train and educate their own staff to prepare them for their activities abroad. Similarly, 4.2% of enterprises gave other reasons in the selection *Other* which were not available in the list. There, enterprises mention the reduction of bureaucracy or the safeguarding of know-how, which are explicitly located in the field of economic policy.

Moreover, only 10.4% of the enterprises surveyed stated that there is no need for government related support.

Table 28: Future Support Need for FDI Activities

Need for Support	Total (Percent of Cases)
Law/Tariffs/Dealing with Government Agencies	54.2
Finding New Partners Abroad	43.8
Market and Competitive Analyses	33.3
Staff Recruitment	31.3
Hedging/Insurance	27.1
Financing	25.0
Marketing/Sales	18.8

Communication with Experienced Enterprises	18.8
Fairs/Exhibitions	14.6
Corruption Avoidance	10.4
No Support Required	10.4
Support in the Run-Up to Political Decisions	6.3
Training	4.2
Other	4.2

Note: [Cases=48], Source: Web Survey.

4.3.6 Implications from the Web Survey

In summary, it can be said that the quantitative web survey showed various interesting results which were relevant for the following sections of the study and the meta-inference. In general, the findings of the web survey confirmed several of the basic aspects of the literature review with regard to the internationalisation activities of SMEs.

Furthermore, the analysis provided a better understanding of SME internationalisation including up-to-date figures. Specifically, several implications could be deduced that had a significant impact on the following study sections, including a) Modular system for export and FDI, b) Awareness of government support, c) Use/non-use of government support, d) Processing of administrative processes, e) Quality of the offered government support, as well as f) Future support need.

Details of these specific implications related to the use of government support measures by SMEs are presented and discussed below. These implications are also taken up again in the chapter on meta-inference and integrated into the overall answer to the research questions.

4.3.6.1 Modular System for Export and FDI

It was particularly striking that the majority of SMEs were only involved in export activities. However, this fact is not particularly surprising as SMEs, due to the size of the enterprise and the structure of the company, often have only one location and control and operate all market activities centrally from their headquarters. Taking the 'Uppsala Internationalisation model' again in consideration, it is obvious that a large number of

SMEs have not yet gone through many stages of internationalisation in the phased process (Johanson & Vahlne, 2006, 2009). However, the survey also revealed that a not inconsiderable number of SMEs also carry out mixed export and FDI activities in addition to pure export activities, or were even only internationally active with their own business sites abroad. In addition, it is possible in the future for SMEs to take up further international activities in the course of a growth strategy, which go beyond export activities. Especially in these cases, it would might make sense for SMEs to make use of existing government support structures from which they have already benefited in export activities. This was also confirmed by the overview of the funding system in Germany, which showed that most governmental organisations offer funding programmes for all internationalisation activities along the internationalisation process and do not focus only on individual activities abroad. Even if these governmental organisations subsequently offer different products focused on the specific activities, the organisation and the cooperation with them is the same for the enterprises. Consequently, these factors showed that an easy-to-use and comprehensive government support system should both cover internationalisation activities and be seen as a coherent structure. Thus, a modular system including both export and foreign direct investment could best support SMEs.

4.3.6.2 Awareness of Government Support

The awareness of funding organisations within the government support network was very limited. Even if the awareness of the Chamber of Commerce and the Chamber of Commerce Abroad was at least 65%, a clear gradation could already be seen afterwards. Governmental backed organisations such as public export credit/insurance agencies or public development banks, which offer various financial products in particular, were much less well known. In the export sector, about one in two enterprises was aware of them, and in the case of FDI only about 40%. Other central organisations such as GTAI are known by only 22.4% (export) and 14.1% (FDI) of enterprises. What was questionable at this point, and definitely to be included in the case study research, was why awareness of the stately organisations was so low, in particular the reputation of the GTAI, which is regarded as a central contact point alongside the BMWi. Moreover, as many as 6.5% of enterprises in the export sector were not aware of any government

support offers, even though they are, for example, compulsory members of the Chamber of Commerce.

4.3.6.3 Use/Non-Use of Government Support

The in-depth analysis showed that in the case of exports, only about 50% of enterprises have already made use of government support. In majority, only the Chamber of Commerce and the Chamber of Commerce Abroad were used for the export activities. Similarly to the findings of the awareness, only a fraction of the enterprises made use of the other organisations, e.g. GTAI with only 10.2%. Of course, the question arose why enterprises use the services and products offered only to such a low degree. The consequence of an easy to use government support system for SMEs should also result in a higher usage of the services and products offered. Basically the web survey has fundamentally shown first reasons for the non-use of the organisations. In these first approaches to researching reasons for non-use, the lack of need in particular was indicated by the enterprises, followed by the other reasons such as the complexity of the administrative processes, the missing of suitable offers as well as the unfamiliarity of offers. However, these reasons were thus presented in a compromised way and gave little indication of the concrete background underlying these reasons. In order to be able to research more information and reasons from the point of view of the enterprises regarding use or non-use of the various governmental organisations, this basic information was included in the case study analysis and analysed there in more detail.

In particular, the focus was on firm-specific and external factors which could have prevented a higher degree of use by SMEs.

4.3.6.4 Processing of Administrative Processes

The web survey has shown at two points in particular that administrative processes play a major role, which had to be considered in the case study in order to enable the easy and comprehensive design of a modular funding system. As already deduced above, the complexity of the administrative processes partly prevented enterprises from making use of the government support programmes. The importance of these administrative processes, which are influenced by firm specific factors as well as external factors, was

also shown and even strengthened by further findings of the web survey. As the findings from the export activities indicated, 65.5% of enterprises carried out the administrative tasks involved in using government support organisations themselves. A further 34% of the enterprises carried out the activities in combination with a partner with whom further coordination is required. Only 9% of the enterprises in the export sector outsourced the administrative processes completely. This clearly showed that enterprises are directly dependent on the design of administrative processes. In addition, when these figures were combined with the insufficient management capacity, which 41.4% of the enterprises in total cited as a barrier, it became clear that the capacity of enterprises regarding administrative tasks is fundamentally low and makes this situation even worse. A more detailed analysis has shown that out of 79 enterprises that indicated insufficient management capacity as an internal barrier for export activities, 60.8% performed complete in-house processing and 32.9% combined in-house processing with the support of external partners. From this it could be concluded that a complete in-house management of the subsidies, or at least partly in-house, might have reinforced this negative aspect as well.

For the case study it was therefore of interest how the administrative processes could be made as simple as possible and whether there were special aspects in the cooperation with external service providers which had to be considered and integrated when creating a modular and cutting-edge government support network. Of particular interest were any necessary connections to organisations outside the government support network, and the extent to which these were relevant for easy use of the government support.

4.3.6.5 Quality of the Offered Government Support

The evaluation of the funding organisations used and their associated funding programmes indicated that there is potential for improvement across all phases of international business activities by SMEs that have already received funding in export activities. Basically, the three phases of awareness, initiation and agreement were predominantly described as positive. However, it was also apparent that in all three phases a not insignificant number of enterprises had a neutral or even negative attitude: Finding the right support (33.1%), making the contact to the organisations (26.25%) as well as regarding the administrative processes within the agreement phase (43.5%). Once again,

it is clear that the administrative processes are regarded as complicated by a significant number of enterprises. This is again confirmed by the specific evaluation of the digitisation of administrative processes. More than half of the enterprises (64.1%) rated the digitisation of administrative processes as neutral, low or very low. These indicators indicated a clear need for optimisation across all phases and criteria.

It was questionable at this point to what extent or which aspects of the business processes require improved digitisation and whether there is a digital network between the individual funding organisations which would help SMEs to simplify their own administrative processes in total.

In general, this part of the web survey already showed important findings, which also contributed to answering a sub-research question. Further in-depth opinions of the enterprises from the case study, however, substantiated these findings with hints as to what exactly needed to be improved in the phases.

4.3.6.6 Future Support Need

In the first implication, the different phases of internationalisation (export and FDI) already provided indicators for a required modular government support system, as these phases cannot be viewed completely independently. In addition, the web survey revealed further indicators for a modular structure of the government support network. On the basis of various questions and the corresponding answers, it became clear that, at another level, this need exists on the part of enterprises and should contribute to easier use by enterprises. When asked about the barriers to international activities, the reasons why export activities or FDIs have already ceased, and in particular the question of future support needs, many different support needs were mentioned by the enterprises.

From the enterprise's point of view, this also pointed to the creation of a modular and comprehensive government support system, which assists enterprises with various economic policy measures. A broad range of topics were relevant for the enterprises surveyed, however, it has of course also become clear that not every topic is important for every enterprise and that it always depends on the specific case of the individual enterprise. The frequency distribution of support needs was an important indicator of this, as each enterprise saw different needs.

Furthermore, the comparison of the mentioned support needs with the needs for support derived from the literature review and the classification of government organisations provided in the previous chapter showed that most of the fields of action were mentioned by the enterprises: Indirect/direct financial instruments, market development-related instruments, technological instruments as well as political interventions. Only the general information source was not directly mentioned by the enterprises, which was also due to the fact that no concrete questions were asked about it. However, this aspect was taken up in the case study and analysed there in interviews with the enterprises.

In addition, the future need for support services also had to be critically examined within the case study, as it is in contrast to the information provided by the enterprises that no government support has yet been used. Furthermore, the debate was to find out more about the reasons for the non-utilisation of the support programmes. At this point, as already mentioned in the third implication (use/non-use of government support) point, it was necessary to clarify whether there is actually a need, but at the same time the results indicated that the use of government support was not taken up for a variety of reasons. In this context, it was questionable whether the enterprises were not really aware of the specific type of government support available and therefore indicated that there was no need. This aspect also had to be taken into account in the question of an easy-to-use support system and the focus was also on external communication about the support system so that SMEs are aware of the benefits.

Another interesting finding was specific commentary on the reasons for non-use of FDI support measures, which could also be brought into relation to future support needs and a flexible and easily adaptable design of the government support network. Specifically, one enterprise stated that the Chamber of Commerce is not able to adequately train the company's service personnel. Even if the Chamber of Commerce was not able to provide this service and another organisation within the governmental organisation does not offer this service, a flexible and easily adaptable design of the governmental support network would help to respond to changing support needs. However, this always depends on the economic policy relevance of the specific case; a generally flexible and adaptable design of the network would be a possible solution. A one-stop-shop where enterprises can indicate new needs would be particularly helpful with regard to simple administrative procedures.

4.3.6.7 Private Support

The survey of enterprises with regard to private support for internationalisation served not only to define the terms and to make them clearer to the enterprises, but also to identify any aspects relevant to government support.

In general, there were few specific and distinct indicators that could result from the findings on private support and contribute to the design of a comprehensively usable government support system. For example, the pure awareness of private funding organisations for international activities was generally more pronounced than that of state funding organisations. It was also obvious that the most common reason for non-utilisation, both for exports and FDI, was lack of demand.

For the further case study analysis, however, two aspects were of importance, which were integrated into the interviews. On the one hand, whether there were interesting aspects from the experience with private organisations, if any, which had to be considered and integrated in the design of a comprehensively governmental organisation. On the other hand, whether cooperation with other private enterprises was necessary to make use of government support, as already indicated by the findings on the handling of administrative processes, and whether there were relevant aspects. The theoretical aspects of institutional network theory in the literature review have shown that various institutional and private organisations are active around the defined government network (Oparaocha & Ricardo, 2011).

4.4 Preliminary Findings of the Usability Testing

Digital processes in the execution of diverse business activities have become increasingly important for enterprises in all business sectors in recent years. The web survey has shown that the SMEs surveyed have a need for improvement in the digital processes in the administrative processes. In order to analyse the digital processes in more detail from the perspective of enterprises in Germany with regard to the awareness, initiation and agreement phase, the usability testing produced various findings and implications for answering the research question. The main focus was on the general BMWi website and the associated funding database, which is referred to on the one hand by the general BMWi website and on the other hand by the GTAI website. These promotion database provided detailed information and further links to promotion organisations of the EU, the Federal Government and the federal states in Germany.

4.4.1 General Website of the BMWi

In addition to the government organisations introduced in chapter 4.2, resulted from the institutional 3-pillar model and coordinated under the umbrella of the BMWi, other actors are also involved in governmental foreign trade and investment promotion in Germany. The BMWi, as the supreme actor at the federal level for federal related FTIP, listed the following instruments for foreign trade and investment promotion on the website (BMWi, n.d.a):

- Export initiatives and market development programme
- Foreign trade-fair programme
- Export credit guarantees (Hermes insurance) and investment guarantees
- German chambers of commerce abroad (AHK)
- Germany Trade and Invest (GTAI)

In contrast, the ‘Auswärtige Amt’ (‘Federal Foreign Office’) as a further federal authority listed the following instruments in addition to the components of the 3-pillar model (Auswärtiges Amt, n.d.):

- “the Länder (federal states),
- the regional initiatives of German business (can be contacted via the Federation of German Industries - www.bdi.de),
- the country-specific associations (associations of businesses and institutions: German-African Business Association, Ibero-America Association, German Near and Middle East Association, Eastern and Central Europe Association, German Asia-Pacific Business Association, Australia and New Zealand Association), and
- the German Centres for Industry and Trade in, e.g., New Delhi, Mexico City, Moscow, Beijing, Shanghai, and Singapore”

By comparing these two listings, it became evident that the BMWi website did not provide a consistent list of governmental support organisations. From the enterprises' point of view, there were no continuous listing criterion such as a listing by actors or by instruments. Actors such as the GTAI or the AHK were listed similarly as a concrete promotion programme, e.g. the ‘export credit guarantees’. This already led to uncertainties and ambiguities when obtaining basic information about support services. Similarly, no information on additional support measures by the federal states and/or other government support providers could be found on the BMWi website.

For SMEs, a specially designed section could be found on the BMWi website which highlighted the special importance of SMEs and the successful business development of SMEs by adopting export business. This section did contain a listing of specific instruments and support measures for SMEs, but it could be seen that this offer was again not fully listed and did not include essential parts of the instruments/actors mentioned above. For example, export credit guarantees or investment guarantees were not mentioned: (BMWi, n.d.a).

- “Advice on the main steps to take before engaging in international business relations
- Sector-specific information on target segments abroad
- Specific contacts with international business partners
- Showcases in Germany and abroad which enable SMEs to present their goods, products and services to an expert audience.”

4.4.2 Technical Weaknesses of Funding Database of the BMWi

Finding the funding database was already difficult because the link on the BMWi website was not directly visible. On the one hand, the link was located very far down the page and could only be found after scrolling for a long time; on the other hand, no link could be found at all in the special section on the promotion of SMEs, for example (BMWi, n.d.a).

In addition to these basic access barriers to the funding database, the expert evaluation identified further usability restrictions that affected the following technical criteria:

1. Simple versus advanced search, 2. Keywords, 3. Subcategories, 4. Type of promotion and 5. Enterprise size.

1. Simple vs. Advanced Search

There were two search options, either a simple search by using a term or advanced search that includes various selection options. In the advanced search, it was possible to filter according to various criteria and thus specifically select foreign trade, for example. Comparing the two search options, it was remarkable that a simple search for the search term 'Außenwirtschaft' ('foreign trade') displayed 69 promotion programmes, whereas the advanced search only displayed 51 promotion programmes after selecting the promotion area 'Außenwirtschaft' ('foreign trade'). The reasons for this difference in numbers could only be partially identified, despite comprehensive examination.

However, the different meanings of the term 'Außenwirtschaft' ('foreign trade') could be identified as one reason. In the German language the term 'Außenwirtschaft' ('foreign trade') has different meanings, but this was not taken into account when setting up the database. Specifically, the term 'Außenwirtschaft' may also be used exceptionally in agriculture. In this context it refers to activities of an agricultural enterprise in the outdoor area (e.g. machine subsidies for work in fields).

Consequently, the simple search for the term 'Außenwirtschaft' ('foreign trade') also displayed funding programmes that do not have to be assigned exclusively to the funding area of 'foreign trade' within international activities. However, this particular use of the term for different scenarios is not obvious to a normal user of the database, especially as

the conceptual use of the term 'Außenwirtschaft' in Germany is normally related only to international activities.

2. Keywords

Using the search term 'Außenwirtschaftsförderung' ('foreign trade and investment promotion') in the simple search, only the promotion programme for export credit guarantees was displayed.

However, double checking further relevant term such as 'International', even 380 record were listed. Again, it became obvious that the database was not set up taking into account specific details of various terms. For example, the term 'International' is sometimes listed even though the funding offer does not have anything to do with international activities. A concrete possibility for a misattribution of the term international was that the term 'International' is also used in support programmes for ISO standards, but these ISO standard support programmes are not related to the promotion of international activities of enterprises.

3. Subcategories

In an advanced search process, the functionality of the selection criteria subcategories was tested. As already mentioned above, the search for funding in the promotion area 'Außenwirtschaft' ('foreign trade') resulted in a total of 51 programmes. Adding the filter that only enterprises are eligible for promotion, 40 promotion programmes remained.

In a next step, it was possible to further filter the 40 programmes displayed by predefined subcategories (number of associated promotion programmes): 'Auslandsinvestitionen' ('foreign investments') (1), 'Außenwirtschaftsberatung' ('foreign trade consulting') (8), 'Entwicklungszusammenarbeit' ('development cooperation') (1), 'Exportfinanzierung' ('export financing') (8), 'Markterkundung & -erschliessung' ('market exploration & development') (7), 'Messen & Ausstellungen' ('trade fairs & exhibitions') (9).

The following addition of the programmes assigned to the subcategories, however, resulted in a difference of 6 programmes ($40 \neq 34$). For example, the sub-category 'Exportfinanzierung' ('export financing') did not include the export credit guarantee scheme, which was even displayed on the general website of the BMWi as one of the most important government promotion instruments.

4. Type of Promotion

It also turned out that the export credit guarantee scheme mentioned in the previous step was only displayed if the ‘type of promotion’ was selected as the first selection step. In order for the export credit guarantee scheme assigned to the sub-criterion ‘guarantees’ to be displayed, it was essential to avoid selecting the respective enterprise size first. If the enterprise size was selected first for further selection, the sub-criteria ‘guarantees’ is no longer visible under ‘type of promotion’ and thus the promotion programme ‘export credit guarantee scheme’ is generally no longer visible to the enterprises.

Furthermore, the analysis of the filter function ‘type of promotion’ showed that the number of programmes displayed again deviated from the total number. In this case, however, more programmes were displayed (41) when adding the programmes within the subcategories compared to the sub-criteria analysis (40) in the paragraph above. A manual, more detailed evaluation has shown that the difference is due to the fact that export credit guarantees are classified under both sub-categories ‘Garantie’ and ‘Bürgschaft’. This results from the fact, that within the export credit guarantee topic two different products are available, one is called ‘Ausfuhrgarantie’ and the other is called ‘Ausfuhrbürgschaft’. However, no further explanations can be found and the technical difference between these two products can only be seen with the appropriate expertise about FTIP (Note: A translation of the terms ‘Ausfuhrgarantie’ and ‘Ausfuhrbürgschaft’ into English has been omitted at this point, as this distinction is a specific German technical financial matter and in English translation both would be translated as guarantee).

5. Enterprise Size

As already mentioned, SMEs generally had the option of filtering by enterprise size in order to display relevant funding programmes: large enterprise (6), small enterprise (16), micro enterprise (15), medium-sized enterprise (17). However, no further information was provided on the criteria used to define the different enterprise size classes. Precisely because it is also not specified what the threshold values are and whether the division into enterprise sizes is based on the EU guidelines. If several sizes that included SMEs were selected, only those programmes that have a match for all three proficiencies were displayed (15). Nevertheless, the result is that two programmes were not displayed and thus enterprises do not become aware of them.

In general, the listing by enterprise size is not precise. For example, after selecting large enterprises, the list also includes programmes which, on closer inspection, were also suitable for start-ups. Since it can be assumed that start-ups are usually not large enterprises, it becomes apparent that filtering by enterprise size is not particularly helpful.

4.4.3 Content Weaknesses of Funding Database of the BMWi

In addition to the technical weaknesses of the database, which were mainly based on the filter functions, the evaluation of the database also focused on content-related weaknesses. The basis was the detailed analysis of the funding programmes implemented in the database using the following search criteria, which were also partly already used in the technical analysis:

- Keyword: ‘Außenwirtschaft’ (‘Foreign Trade and Investment’)
- Promotion Area: ‘Außenwirtschaft’ (Foreign Trade and Investment’)
- Eligible for promotion: Enterprises
- Promotion body: Federal government, federal states and EU
- Promotion region: Federal government and federal state government

Weaknesses already identified in the technical analysis, such as that the export credit guarantees of the support programme are divided into two different categories due to the specific structure of the programme, are not detailed again in this section.

On the basis of the above search criteria, 40 FTIP programmes were displayed, which were assigned to the following subcategories:

- ‚Beteiligung‘ (‚Share‘): 1
- ‚Bürgschaft‘ (‚Guarantee‘): 2
- ‚Darlehen‘ (‚Loans‘): 6
- ‚Garantie‘ (‚Guarantee‘): 4
- ‚Sonstige‘ (‚Other‘): 2
- ‚Zuschuss‘ (‚Grant‘): 26

Further analysis identified four weaknesses in the content of the funding programmes listed, which have a negative impact on the quality of the database and thus make it difficult for enterprises to use the databank easily.

First, 15 of the 40 promotion programmes listed were funded by the federal government in Germany (see table 29). However, it turned out that this list only included part of the programmes generally available in Germany. This became clear when looking at the 15 federal funding programmes listed, as these did not include any of the GTAI's programmes, for example. Consequently, it was found that this funding database, in addition to being generally incomplete, did not even include the funding programmes of one of the central organisations of the governmental funding network. In addition, it was evident from the database (see table 29) that only finance-related instruments were included and did not include other programmes (e.g. marketing or technology-oriented).

Secondly, the same phenomenon occurred with the incomplete listing in the funding programmes of the federal state governments. Generally, guarantees are offered at different levels (federal and federal state) in Germany. The guarantees of the federal government were shown in the database, e.g. export credit guarantee, but the guarantees of the federal state organisations were partly not displayed. It was not clear according to which exact criteria funding offers were displayed and the chosen approach did not seem to be consistent. This was further evidence that the funding database did not provide comprehensive information on the federal and federal state FTIPs on offer. For example, the guarantee of the Landesbank Baden Wuerttemberg - mainly owned by the federal state Baden-Wuerttemberg-, which offers the guarantee as a mandatary on behalf of the federal state of Baden-Wuerttemberg, was not displayed. However, the product 'Auftragsgarantien' ('order guarantees') from LfA Förderbank Bayern – owned by the Free State of Bavaria - was displayed.

Thirdly, the presentation of further information on the funding programmes made it difficult for enterprises to make optimal use of them. The further information and details on the funding programmes were each displayed on a sub-page. In principle, this is not a problem, but the comparison across several funding programmes showed that the structure of the information on the funding programmes was not subject to a uniform structure. There was no universal and consistent scheme in which the necessary data was presented. In some cases similar structures were chosen, but in others these varied considerably. This made it considerably more difficult to read out the relevant information, such as the funding objective, the target group, etc.

Fourthly, no centralised information and advice centre was found in the funding database. Instead, a decentralised system for further questions was used, analogous to the further information provided in the database. Enquiries had to be made directly to the respective organisational unit responsible. Compared to other databases and service platforms, there was a clear difference in the approach to further information and advice.

Table 29: FTIP Programmes listed in the BMWi Database

Name	Type	Region	Organisation	Mandatory
KfW-Programm Refinanzierung bundesgedeckter Exportkredite	Loan	National	KfW	
Exportinitiative Sicherheitstechnologien und -dienstleistungen	Grant	National	Geschäftsstelle Markterschließung für KMU	
Exportkredit	Loan	National	AKA	
develoPPP.de	Grant	National	KfW DEG	
Start-Up BW International	Grant	BW	bw-i	
German Accelerator Program	Other	National	German Entrepreneurship GmbH	
Exportberatung	Grant	BW	RKW	
ERP-Exportfinanzierungsprogramm	Loan	National	KfW-IPEX	
Exportinitiative Energie	Grant	National	Geschäftsstelle Exportinitiative Energie	
Zinsausgleichsgarantien	Loan	National	KfW-IPEX	
Banken CIRP Programm	Loan	National	KfW-IPEX	
Bundesgarantien für Direktinvestitionen im Ausland	Guarantee	National	PwC	Yes
Exportkreditgarantien	Guarantee	National	EH	Yes
BMEL-Exportförderprogramm	Grant	National	BMEL	
Bundesgarantien für ungebundene Finanzkredite	Guarantee	National	EH	Yes

Source: BMWi Database, Date: 18.05.2020.

4.4.4 Implications from the Usability Testing

In general, the findings of the usability test yielded various interesting implications that were on the one hand relevant for the case study, but on the other hand also contributed to answering the research question.

Even though many of the weaknesses identified were of a technical nature and the analysis revealed very subtle aspects, interesting aspects could be derived for the concrete design of a funding database. In addition, parts of the weaknesses in the content in particular revealed interesting aspects that could be addressed in the case study. However, it was also a prerequisite that the enterprises surveyed in the case study were aware of the funding database in the first place. Otherwise, the findings were included in the meta-inference discussion.

In general, the summary of the results of the usability testing showed that the use of the database for German SMEs can only be recommended to a limited extent. Both the access to the database and the database itself had clear weaknesses and a negative influence on the usability by the enterprises.

It was already difficult to find the funding database on the BMWi website and/or via the GTAI website. To make matters worse, the web survey showed that only 14.1% of the enterprises were aware of the GTAI organisation at the time of export. This led to the further question for the case study of whether the enterprises involved were aware of the database. In addition, it was interesting which alternative sources of information about FTIP were used by the enterprises. Moreover, it was questionable at this stage which platform or information channel is the right approach from the point of view of enterprises in order to have the easiest possible access to governmental offered FTIP.

4.4.4.1 Technology-Based Implications

From a technical point of view, the following aspects could be derived from the findings, which were of further relevance and which indicated that it was difficult for users to use FTIP, or even that incorrect/incorrect information was being displayed. The implications could be derived from the following criteria: 1.simple versus advanced search, 2.keywords, 3.subcategories, 4.type of promotion and 5.enterprise size has shown that the use of the database is not barrier-free for a user.

1. Simple vs. Advanced Search

With regard to the different search options, it became clear that it is essential to ensure that the same result is delivered when performing both types of search. The normal user will not notice the difference in the normal case, but would either get too few or too many funding programmes displayed. It was obvious that missing programmes have a negative impact, but too many programmes displayed, some of which are not relevant, also have a negative impact on the user experience. Each programme displayed affects the user's time and ties up his capacity. The user needs a longer period of time to even filter out the programmes that are relevant.

2. Keywords

A negative influence on the use of the database could also be derived from the incorrect keyword search, which resulted from an unclear assignment of the keywords. These findings also had a negative impact on the clarity of the database and the resulting time spent by the user, as either too many or too few funding programmes were displayed.

3. Subcategories

Basically, this error was rather technical in nature and should have been less noticeable to the normal user. Due to this error, however, it could lead to too few promotion programmes being displayed and the user being deprived of important programmes. Such display errors rendered the funding database unusable and also led to false assumptions on the part of the enterprises.

4. Type of Promotion and 5. Enterprise Size

The findings of scenario 4 and scenario 5 have confirmed that the technical linking and filtering of the database is not consistent. As already mentioned above, this was not necessarily obvious to the user and may therefore led to an information deficit. In addition, especially with regard to the size of the enterprises, irrelevant information on possible FTIPs were displayed, which were not relevant at all for parts of the enterprises.

In summary, it could be concluded on the basis of the technical implications that the faulty technical design of a funding database is counterproductive for its use by enterprises and makes it more difficult and not easier.

4.4.4.2 Content-Based Implications

Based on the findings that emerged from the content-related analysis, implications could be derived that, assuming intensive use of the database, might also have been noticed by the enterprises in the subsequent case studies.

In general, it was noticeable that the incomplete listing of funding programmes in several places had a significantly impact of the database use by enterprises. In many cases, the lack of listing was due to inconsistencies related to various factors.

There was no consistency in displaying relevant programmes, neither at the federal nor at the state level. Numerous programmes are missing, which in turn reduced the quality and benefit for users. A database that only contains parts of the government funding programmes is not a suitable basis for simple and effective use by SMEs. This aspect of inconsistency was reinforced by the fact that only finance-related funding programmes were displayed, but none on market development-related or technological-related topics. However, as a comprehensive need for funding was identified across the different thematic areas, the database is not suitable for the enterprises.

Ease of use for the enterprises is also minimised by the findings of aspect three, as the unclear and inconsistent presentation of further information repeatedly challenges even experienced users of the enterprises to find the right information and thus implies an increased expenditure of time. The user has to adapt to a new scenario again and again and cannot benefit from the previously learned knowledge.

Furthermore, it could be deduced from the findings that the current design of the database is a mere listing of the funding programmes that have been discontinued. From a usability point of view, however, there are also arguments in favour of a central information and advice point within the funding database, so that the effort for users is reduced. The same approach as for the funding database is used for the iXPOS portal, which also contains a digital listing of government funding organisations, but, as the website showed, without its own support staff.

For the specific use of an effective digital information source containing detailed further information, it was of interest for the case study which critical factors the target group, the SMEs, see and which needs exist. Furthermore, it was relevant for the case study

research whether such an assumed central governmental support network approach, which is digitally designed, would add value to the internationalisation of SMEs.

In summary, there were several weaknesses in the functioning of the digital promotion database that have been considered for the case study research part. In particular, its usability did not guarantee that enterprises can obtain information on the offers of promotion instruments in an appropriate manner. Overall in an early stage of information gathering, the process should have been as simple and clear as possible.

4.5 Main Study Findings: Case Study

4.5.1 Introduction of the Case Enterprises

The data collection was based on several case studies, which were characterised by semi-structured interviews. In accordance with the procedure for selecting enterprises described in chapter three, a total of eight SMEs were selected and analysed.

Table 30 provides a classification of integrated enterprises by industry sector, goods produced, location (state), interviewee position and type of international activities.

Table 30: Overview of Researched Case Study Enterprises

Code	Industry Sector	Produced Goods	Location (State)	Interviewee Position	International Activities
C-P	Manufacturing	Mechanical Engineering	Baden-Wuerttemberg	CEO	Export
C-1	Manufacturing	Automation and Production Engineering	Baden-Wuerttemberg	CEO	Export
C-2	Manufacturing	Technical Components	Baden-Wuerttemberg	CEO	Export
C-3	Manufacturing	Sensor Technology	Baden-Wuerttemberg	CEO	Export and FDI
C-4	Manufacturing	Technical Components	Baden-Wuerttemberg	CEO	Export and FDI
C-5	Manufacturing	Technical Components	Baden-Wuerttemberg	CEO	Export
C-6	Manufacturing	Technical Components	Baden-Wuerttemberg	CEO	Export
C-7	Manufacturing	Mechanical Engineering	Baden-Wuerttemberg	CEO	Export and FDI

Source: Web Survey.

As can be seen from table 30, all the enterprises showed the criteria which have been fundamentally defined beforehand. Like the quantitative survey, the enterprises belonged to the category of SMEs in terms of number of employees and turnover, and were also active in the manufacturing industry sector as well had at least export activities. It is obvious, in analogy to the findings of the web survey that in the majority of cases SMEs had only export activities and no independent production facilities abroad. However, all enterprises were finally involved in the processes of internationalisation and international activities were a crucial part of their strategy. The enterprises were very experienced in international activities and could provide valuable information on the importance of an easy-to-use government support framework for the internationalisation. This matter was also taken into account when selecting the interview partners, as only CEOs of the respective enterprises were interviewed. The Electronic Federal Gazette, the Enterprise website, business magazine and newspaper articles were generally consulted for better understanding and to obtain additional information on the cases.

C-P

The pilot study enterprise uses exclusively export activities, in particular through specialist dealers abroad with whom a long partnership exist. The specialist dealers in the more than 100 countries worldwide also provide service for the products. The specialist dealers are supported by key account managers based at the head office in Germany (Source: Federal Gazette/Interview).

The international activities are an important part of the corporate strategy. In further documents (e.g. business magazines/newspaper) it could be read that even an export share of 50% is aimed at. The Asian market in particular was mentioned by Manager P as a growth market.

Manager P has been managing director and owner of the enterprise for several years. Within the scope of this activity, he is particularly responsible for strategic tasks (Source: Interview/Professional Social Network/Website).

C-1

Enterprise 1 uses a direct sales channel where all activities are carried out independently. In addition to pure sales, this also includes service and maintenance. Only one country is served via a specialist dealer in the destination country (Source: Interview).

E-1 has an export rate of almost 100% as the majority of potential customers are located abroad (Source: Federal Gazette/Interview). Manager 1 stated that the German market is very limited in the specific product niche.

The Asian and North American markets in particular play a major role. Due to the high export rate and the settlement of potential customers, the enterprise is dependent on international activities (Source: Interview).

Manager 1 has a technical professional background and has been CEO since 2018. Before that, however, he had already spent 8 years in the international business of the enterprise and thus has many years of experience with international activities. Due to the size of the enterprise, Manager P is also very closely involved in the operative business in addition to his strategic tasks (Source: Interview/Professional Social Network/Website).

C-2

The enterprise of case 2 is exclusively engaged in international activities in export, where it serves customers in various industries (mechanical engineering, medical technology, automotive and printing and paper technology) (Source: Website).

Although the previous core market was Germany and demand is high there, exports plays a not too small role, as the export rate is between 25 and 30% (Source: Federal Gazette/Interview).

Exports are mainly made within Europe. In addition to the main markets of Italy and France, customers in China and the USA also play a minor role in the international activities. Although the margin is currently somewhat higher for export business, there are no plans for a compulsory expansion of export business (Source: Website/Interview).

Manager 2 has a technical background and mainly takes on strategic tasks. He has been with the enterprise since 1992 and has almost 20 years of experience as CEO and owner of the enterprise (Source: Interview/Professional Social Network/Website).

C-3

Enterprise 3 is exclusively active in the export business and supplies all customers from its German headquarters. In addition to its own sales offices in Europe, North America and China, the remaining countries are handled by worldwide sales partners (Source: Federal Gazette/Website).

The export rate is around 50%, but a noticeable increase is targeted in the coming years. The demand, which mainly comes from international markets, matches the planned business developments (Source: Federal Gazette/Interview).

Manager 3 has both a technical and business background. He has been with the enterprise for several years and recently became CEO. It is predominantly concerned with strategic tasks (Source: Interview/Professional Social Network/Website).

C-4

Enterprise 4 is also a manufacturing enterprise with export activities supplying foreign markets, mainly within Europe. In addition, the enterprise has its own production facility in a European country. A sales office is also located at this foreign facility, which, however, exclusively serves the local market. Customers in other countries, on the other hand, are served by the headquarters in Germany (Source: Website/Federal Gazette/Interview).

The future corporate strategy is to increase the export rate of approx. 30%, as increased demand is seen there due to new, high-tech products. The future markets are seen worldwide, there are currently no particularly preferred markets (Source: Federal Gazette/Interview).

The manager of enterprise 4 has been employed by the enterprise for almost 30 years in various positions and has also been CEO since 2005 with predominantly strategic responsibilities. In addition to this professional experience, manager 4 has a background in both technology and business administration (Source: Interview/Professional Social Network/Website).

C-5

Enterprise 5 is active in both direct and indirect export, whereby the initiation of direct export is also managed via a partner in the domestic market (Source: Interview).

The export rate currently amounts to approx. 30%, of which approx. 20% is indirect export and approx. 10% direct export. Basically, however, exports are also considered important in this enterprise, and their significance will also increase in the coming years (Source: Federal Gazette/Interview).

Manager 5 joined the enterprise in 2018 as CEO, also has many years of experience in international sales of technical components. Fundamentally, he has a technical background and performs strategic tasks as well as some operational tasks (Source: Interview/Professional Social Network/Website).

C-6

Enterprise 6, a rather small enterprise with 10 employees, is nevertheless internationally active with direct export. Even though the enterprise does not have its own sales staff abroad, customers are acquired through cooperation with distributors. Subsequently, the enterprise takes care of the actual processing itself, as the products are produced on a customer-specific basis (Source: Federal Gazette/Interview/Website).

Despite this, the enterprise has an export share of approx. 40% and continues to see international business as an important building block within its corporate strategy. For further expansion, the worldwide distributors are to be expanded; Asia in particular was mentioned as an interesting market (Source: Federal Gazette/Interview).

Manager 6 has been with the enterprise for more than 10 years and has recently been appointed CEO of the enterprise. Throughout his time with the enterprise, he has been responsible for the export activities of the enterprise and has a great deal of experience (Source: Interview/Professional Social Network/Website).

C-7

Enterprise 7 is a mid-size SME and is involved in export activities worldwide. The export activities are characterised by direct export, which is basically controlled from the headquarters in Germany. For the North American market, a separate branch office was founded in the USA. Worldwide, the company also works with various specialist dealers who also maintain direct contact with customers (Source: Website/Interview).

Due to the saturated German market and the very high demand from abroad, the enterprise has an export rate of over 80%, which has been consistently in this range over the last few years and will remain similar in the future (Source: Federal Gazette/Interview).

The interviewee of enterprise 7, the long-time managing director and owner, had a lot of experience in the field of funding programmes, as they were part of his department for an extended period of time (Source: Interview/Professional Social Network/Website).

4.5.2 SMEs Experiences about Awareness, Initiation, Agreement and Use

4.5.2.1 Awareness of Organisations and FTIP

Table 31: Awareness of Government Promotion Organisations

	C-P	C-1	C-2	C-3	C-4	C-5	C-6	C-7
Chamber of Commerce (IHK)	x	x	x	x	x	x	x	x
Chamber of Commerce Abroad (AHK)	x	x	x	x	x	x	x	x
GTAI / BMWi	x			x			x	
Public (Development) Bank	x	x	n/a	x	x	x	x	x
Public Export Credit/Investment Insurance Agency	x	x	x	x	x	x	x	x

Source: Case Study.

The basic finding across all cases was that the enterprises were aware of the vast majority of organisations in the government network. It is thus clear that regardless of the case-specific characteristics, e.g. size of the enterprise, type and scope of internationalisation activities as well as the type of products, the basic awareness of state-related organisations was given. However, during the semi-structured interviews with the interviewees, it became clear that there was some ambiguity in the direct classification of the respective organisations as government network organisations and that some important funding organisations and funds were not known at all.

In the more detailed analysis of individual funding organisations, the statements of the enterprises made it clear that despite a generally good level of awareness across all funding organisations, there were significant differences in the level of awareness of

individual funding organisations. While all enterprises were for example aware of the Chamber of Commerce, which is a compulsory member organisation, only three enterprises were aware of the central funding database of the BMWi or the GTAI organisation. It was highlighted in several interviews that the awareness of this specific organisation was not given:

Interviewee 1

No, I'm not familiar with that (A/N:GTAI). I am not familiar with the funding database as it stands.

Three interviewees from three different enterprises (**interviewee 2, interviewee 4 and interviewee 4**) elaborated that they were not aware of the central funding database of the BMWi at all. Likewise, **interviewee 7** pointed this out as follows:

Well, not that one. Everything else is, but not that.

As shown in table 31, the three enterprises that are aware of the central funding database and/or GTAI stated that awareness is only to some extent and basically only the organisation is known, but the real importance of the organisation is not clear. **Interviewee 6** commented on the exact understanding in relation to the GTAI following the comment on the awareness of the central funding database:

Heard yes, but completely no.... No.

Similarly **Interviewee 3** added in relation to the organisation GTAI:

Yes, the name sounds familiar. But I couldn't tell you exactly what they do.

Interviewee P was also generally aware of the central funding database, but did not use it regularly:

I know them, but I don't visit them regularly

These three cases clearly demonstrated that even if the organisations are known, there is still a need for further gradations in the degree of familiarity. Mere familiarity with the organisations did not imply in-depth knowledge of the organisations and their activities or the instruments offered. Even if the enterprises stated that they knew the organisations,

in these cases this had only a limited direct positive impact on their use, because if the enterprises then lacked in-depth information, the funding instruments of the organisations were not used to their full extent.

Interviewee 2 also clarified this with his supplementary statement in relation to the mandatory Chamber of Commerce:

...the IHK is simply an institution where we don't know what's really behind it.

Even though such a concrete statement regarding the in-depth awareness of funding instruments was rare across all cases, this information provided initial indications of weaknesses in awareness. It should be noted in this case that this enterprise has so far made very little use of state aid, which according to the interviewee was due to the fact that they have so far tried to solve everything in-house or no need was seen for the known, offered funding instruments. However, based on the above statement, it could not be ruled out that the unawareness also contributed to the fact that relevant instruments were not known and therefore not used.

When exploring the concrete reasons for the low awareness of funding organisations and their funding instruments, two factors could be extracted from the cases based on the information provided by the enterprises, which had a negative impact on a higher awareness: Time and relying on third parties.

Table 32: Awareness Issues

	C-P	C-1	C-2	C-3	C-4	C-5	C-6	C-7
Time	x	x		x	x	x		x
Rely- ing on Third Party	IHK, WVIB, Re- search Partner	IHK, Re- search Partner	WVIB, Re- search Partner	WVIB, Re- search Partner	Bank, Re- search Partner	Re- search Partner	IHK, Re- search Partner	IHK WVIB, Re- search Partner

Source: Case Study.

Time

The time component was cited by almost every enterprise surveyed as a barrier that had a negative influence on the in-depth engagement with funding organisations and funding instruments. The enterprises that mentioned the time component were very heterogeneous in terms of case characteristics and included, for example, enterprises with a wide range of employee numbers, as the inclusion of further information from the Federal Gazette revealed. It could therefore be ruled out that smaller enterprises with fewer employees had greater issues with this factor. Various statements by the interviewees confirmed the time-limiting factor:

Interviewee P:

I have other things to do.... So that's how it is, as a managing director or in general in the enterprise you have a daily business and that has to run and then you also have certain strategic things and it's so that you... that's then a debt to be fetched, so to speak, and you actually only go there if you really get a strong impulse from the outside, I say now.

Furthermore, **interviewee P** added, that the aspect of the time component does not only concern the business leader per se but also the employees who deal with support programmes. The enterprise from the pilot study is already a medium sized enterprise with more than 80 employees, as can be seen from company documents. This aspect could also be seen as an indication that the barrier of the time component must be seen independently of the size of the enterprise, as it was shown that even a somewhat larger enterprise had the same problems as smaller ones with only very few employees:

That can certainly be an obstacle. There are all kinds of offers, and it is right to keep track of them, especially for employees who are heavily involved in day-to-day business.

The statements of the other interview partners confirmed this general time aspect:

Interviewee 1:

Yes, there is very little time in the working day.... Yes, that's a huge barrier, because you just... well, it was all quite new to me too....But I also didn't have the time to follow it up again, because it just doesn't fit in with my schedule at the moment.

Interviewee 3:

"I mean, this is also a question of time in the end, one must also say quite clearly.

Interviewee 4 said that it always has to be carefully weighed up whether to engage with funding programmes because of the time component:

Yes, of course, you always have to. Of course, you can't always afford everything, and I say everything in its own time.

Interviewee 7:

Yes, that is certainly an aspect. We don't have a pure position that only deals with funding issues... that's partly done by the technical director or partly by our accounting or controlling director. If there are funding opportunities, we try to... but of course, you don't know... of course, we don't always know where the funding opportunities are.

In both cases that did not explicitly state this time barrier, no special characteristics of the enterprises could be identified from which it could be deduced why the time factor did not play a role for them. The enterprise from case 2 had not been particularly concerned with government support, as no need was seen. The enterprise from Case 6, on the other hand, had already made extensive use of support, e.g. Export Credit Insurance or the services provided by the Chamber of Commerce. Similarly, both enterprises differed significantly in terms of the number of employees, so that no conclusions could be drawn from this aspect.

Interviewee 5 added that it is also a matter of weighing up what is involved, but he also affirmed this and in this aspect also attacked the reliance on information from third parties who directly provide information on relevant funding programmes. Interviewee P also mentioned this in his statement above and could be identified as a further relevant factor in the unawareness of funding offers.

Relying on Third Party

Moreover, it became clear that the factor of relying on third parties played a major role, which could be assumed to be partly related to the low time component just described. The lack of time and human resources indicated a barrier that was partly overcome by reducing one's own search and engagement with funding instruments and relying on the input of external organisations.

Basically, it was shown that the enterprises, regardless of the case-specific characteristics, waited very much for input from outside and also relied on this to inform them about

relevant funding instruments. This made it clear that even if it can generally be assumed that the enterprises are indebted, they still wait for active information from third parties and become dependent. Furthermore, it could be deduced from this reliance on third parties that the enterprises were not fully informed about potential government funding offers, but only received fragments of information. This aspect was reinforced by the fact that the enterprises did not only rely on state institutions for information, but also used private associations, for example. These could also have mentioned state funding instruments, but this did not imply a certainty of completeness about government promotion instruments. **Interviewee 4's** statement supported this view, but also showed that full disclosure was not necessarily given from his perspective:

Yes, there were already a few points. So it's not that they avoid it on principle, but they do say it, taking their advisory mandate seriously first, of course. They are a bit like a competition, of course.

In the case of third-party sources of information, three sources in particular became apparent that had a strong connection to the type of funding instruments. With regard to technological aspects, which were closely linked to product innovations within the framework of research projects in cooperation with research institutes, the enterprises stated that they predominantly relied on the input of other research institutes. Several enterprises stated that this was the case for them. Further analysis of documents such as the Federal Gazette and reports on websites showed that these enterprises are very dependent on these technical product innovations. Even if these product developments were of course not explicitly geared only to export, the high export rates mean that a great importance of the product innovations for international activities cannot be denied. The export rates of the various cases were between 25% and > 90% and the use of external sources was explicitly mentioned by various cases:

Interviewee 1:

In principle, we always have access from the research institute.

Interview 4:

...and has one or two institutes there that are proficient in the subject, and we have a relationship with the professors who are there, and they are reasonably pragmatic, so I'm even happy to do it.

Interviewee 5:

Then you are contacted once a month and can participate somewhere until you realise at some point that you have so many research projects that you don't have enough staff to complete them.

Interviewee 6 added that some of these research-specific aspects were brought in by the interviewees themselves, but of course they also relied on external partners:

We had found that ourselves at the time. I didn't do it at the time. But we found it ourselves at the time, but I think there are a few... I spoke to someone from some company Innoscripta or something like that from Munich just last week.

With regard to information on non-technological support programmes, there was a clear dependence on other sources of information. The interviews revealed that either the chamber of commerce or external organisations such as the commercial bank or very often the private backed regional business association (wvib).

Interviewee P:

Yes (A/N: IHK)... Exactly, and via the wvib. As a member of the wvib, you receive a monthly brochure, a kind of... how should I put it? - It's a newsletter, and it also mentions funding programmes and specialist literature, etc. in part.

Interviewee 3:

So if you have an urgent topic and the wvib helps you, then you don't look any further. Then you don't look around either. I have to say that small companies also have the problem that they don't have a man who can search forever and talk to a thousand people to clarify the issue. You make two or three phone calls and then that has to be enough. Then you take the information you have to make a decision.

Interviewee 4:

Well, both of the house banks that we have here are very well informed, so they know what is available and I would also advise them to do so.

Interviewee 7:

But the Chamber of Industry and Commerce also regularly organises events and invites people, including now, I think, a lot of online things.... I would say more the wvib like the IHK (A/N: Comparison of use between IHK and wvib).

Interviewee 6:

So many people from the Chamber of Commerce, especially in the direction of export, actually want to report there or do something else. So you have to say that the IHK is actually really good.

In the case of **case 6**, it must be added that these enterprises are located outside the wvib's catchment area and therefore cannot use this external source of information (source: wvib website). It was rather interesting that in this case of case 6, the IHK received a positive rating, but the other enterprises that are located in the wvib's catchment area often preferred the wvib to the IHK.

4.5.2.2 Experiences in the Initiation and Agreement Phase

Table 33: Experiences in the Initiation and Agreement Phase

	C-P	C-1	C-2	C-3	C-4	C-5	C-6	C-7
Initiation Phase								
Issues in the Initiation Phase								
Various Experiences in the Agreement Phase								
Great Effort in Technology-Based Research Projects	x	x	x	x	x	x		x
Other Instruments	x			x				x

Source: Case Study.

In the interaction process between the funding recipients and the funding providers, the intermediate steps in the initiation and agreement phase follow before the actual utilisation of the funding instruments. These two phases are essential components that can have a significant influence on the utilisation and non-utilisation. Funding is often associated with administrative processes in the form of funding applications that have to be processed in advance. From the experiences of the enterprises, various aspects of the

administrative processes emerged that had an influence on the evaluation of the use of government funding instruments by SMEs.

Issues in the Initiation Phase

With regard to the initiation phase, the interviewees did not describe any particular aspects or provide any information, and further analyses of the additional documents did not provide any indications of particularly negative aspects in establishing contacts with the funding agencies. As the previous section on awareness already indicated, in some cases of the case study no statements could be made at all about making contact, because some funding programmes were not known at all and thus not used. In particular, the great lack of knowledge about the central funding database and GTAI made it difficult to directly question how the forwarding from the information platform was perceived and how the subsequent contacting proceeded from the experience of the enterprises. In addition, even if support programmes were known, the results showed that in some cases the support programmes were not used by the enterprises and thus nothing could be reported about contacting them.

Various Experiences in the Agreement Phase

Due to the different intensity of use of state funding instruments, there were also different experiences and opinions about the design and procedure of the processes in the agreement phase.

Due to the very high use of funding instruments in the context of technological product development projects, significant experience was shared by the enterprises in this area in particular. In addition to these technically oriented projects, some enterprises were also able to make significant contributions to other funding instruments from other funding areas, which gave a detailed insight into the processes of the agreement phase:

Technology-Based Research Projects

Within the technological research projects, there was a fundamentally uniform opinion regarding the assessment of the preparation of the application documents and also the associated service performance of the various funding organisations. The enterprises stated very clearly that the application phase was fundamentally acceptable, but that it involved a great deal of effort due to extensive formalities and lengthy application processes. This aspect referred to various funding projects from the federal and state level.

Considering the results of the findings from the section on the awareness phase, it could be deduced that the time factor also plays a major role in processing the partially very complex application. Various statements from enterprises covering different case specifics, e.g. size of enterprise, type of internationalisation activity, product group) mentioned the great effort as an impressive experience from the past years.

Interviewee P:

But with us, it actually all worked quite well. I see a need for optimisation, yes, as far as the application process is concerned.

Interviewee 1:

That was very pleasant, I would say. It was actually really pleasant, a good contact, good handling, informative as well. Of course, when you submit an application for the first time, it's a lot to keep track of.

Interviewee 5:

Yes, well, it's complicated, but that's clear. It's time-consuming, so you have to plan a project like this completely. Basically, if you want to make it more or less realistic, you have to plan every hour that you have in the overall planning, with money, of course, with staff at the back, and at the end you have a huge monster work in Excel, where you have planned the money over the individual months and years, and then at some point, of course, you tear it down. So the effort involved is not insignificant.

Furthermore, it has been shown that not only in the awareness phase were some third parties relied on to identify research projects, but also external consultancies were sometimes called in to submit applications. The following is an example of a statement from **enterprise 5** that confirmed this approach and also underlines its importance:

That's why they do it all day long, they know exactly that they have access to the ministries or to whatever. Of course, there is enough lobbying going on here and you have to have proper channels, otherwise I don't think you have much of a chance.

To complete this thematic topic, it should be noted that the enterprise from **case 6** did not provide any specific information on this topic and therefore it was not possible to deduce with certainty whether a large effort was seen. However, as mentioned in other parts of the findings, this enterprise indicated a positive attitude towards external help, which goes hand in hand with a reduction of its own effort.

Other Instruments

The findings of the case study also revealed that some enterprises were also able to provide more information on other funding instruments, such as KfW or export credit insurance.

Interviewee P and interviewee 2 both raised the issue of effort in relation to export credit insurance: **Interviewee P**, whose enterprise had already made use of export credit insurance, acknowledged that the application process took a certain amount of time and effort to process:

So we use that, but not excessively...

On the one hand, of course, it always involves a certain amount of effort, that's clear, but basically it's good that there are programmes like this....

Interviewee 2, on the other hand, whose enterprise had not yet made use of export credit insurance, estimated that it should not be a problem for his enterprise from a time perspective.

With regard to other financial instruments (e.g. loans) offered by KfW, **interviewee 7** added that, from his point of view, the effort involved was manageable:

KfW, I think, is quite OK, so no huge effort, I would say.

4.5.2.3 Diversity Experience during the Use Phase

Table 34: Diversity Experience during the Use Phase

	C-P	C-1	C-3	C-5
Quality of Instruments	x		x	
Quality of Interaction	x	x		x

Source: Case Study.

As already mentioned, the intensity of use of government support among the enterprises surveyed was very pronounced on an individual basis, e.g. in the case of research projects, but no particularly excessive use was found among the other support instruments.

Quality of Instruments

As shown in the findings as a secondary aspect, only a few enterprises made concrete statements regarding the quality of the products. However, there were positive as well as negative aspects to the funding instrument that was ultimately used in each case.

In one case, **enterprise P**, rated positively in particular the quality of the trade fair promotion products and the government export credit insurance, which represented added value for the enterprise and thus had a positive impact on business.

So there are possibilities, we have already taken advantage of the possibilities regarding trade fairs and that was actually quite a good thing.

...but basically it's good that such programmes exist, because certain transactions simply couldn't be carried out if, for example, you didn't have the Federal Republic as... how do you say it? As a debtor, as a creditor at the back.... So we have used it, it has been useful, it has brought about business that otherwise would not have come about, and so I can say that it is an important building block that can be used at certain moments. Whenever, for example, the trade credit insurers are not effective or say that the risk is too high for them, but in justified cases we can convince the state that it is perhaps quite good if it offers us cover.

In contrast, the enterprise from **case 3** rated the use of a funding organisation rather negatively, especially since the required service was not included and, in addition, this was not provided by the enterprise itself but was referred to external partners:

I have to say that abroad, even for the big countries like the USA and China, it is difficult to get, let's say, free support through associations where you don't have to pay a lot of money for a lawyer or other consultancies. It has to be said that the AHK also comes to an end pretty quickly. They do a bit for free, but you either pay them directly or they refer you to lawyers or other consultancies, where you have to pay a lot of money again. I think these are also questions from my point of view that every enterprise that wants to found a subsidiary or already has one has. Sometimes it's a bit of a shame that there isn't a bit more expertise and a bit more support from the authorities.

Quality of Interaction

The digitalisation of processes has now become a significant factor for enterprises in their everyday business and this was also reflected in the handling of individual funding instruments during use. According to the enterprises, it was necessary to submit interim and final reports digitally via the BMWi's EasyOnline/ProfiOnline portal, particularly in the case of technology-based research projects. It became apparent from two enterprises that explicitly spoke of experiences of using projects that there were different opinions

about this. While enterprise P stated that it was not very satisfied with the design and user-friendliness, enterprise 1 stated exactly the opposite and found the system to have satisfactory functions.

Interviewee P:

I currently have this Easy-Online from the Federal Ministry again, where I am allowed to fill it out. Very complex. I'm curious.

Interviewee 1:

I think it's quite good. We use the BMWi platform ProfiOnline.

A further experience regarding offline support, was mentioned by **enterprise 5**. The interviewee stated that although there was telephone support for billing queries within the framework of a research project, it was not far-reaching enough and only contained basic information. The question was not answered directly and straightforwardly, but more in-depth documents were passed on and the research work was returned to the enterprise. The enterprise felt that this solution was not simple and straightforward:

We have just now, I have just done the first accounts... today I did the last one at the BMBF. So when you call them and ask them something, there is already support in the form of, if you ask "How can we account for the business trip?", they send you five paragraphs and then you have to read through them and then you have to pull out your version. So they do help in some way, but I have to say it's very bureaucratic.

4.5.3 Interpretations of a Comprehensive Support System

In addition to identifying various aspects that were related to the four phases of interaction, this section follows with various aspects related to the new comprehensive support system approach. Specifically, attention was paid to which key instruments are needed from the point of view of the enterprises and how and to what extent a comprehensive approach can have a supporting effect.

4.5.3.1 Unanimous Opinions about a Government Support System

Table 35: Opinions about a Government Support System

C-P	C-1	C-2	C-3	C-4	C-5	C-6	C-7
Experience of the current Government Support System							
“Patch-work rug”	No official central body	No official central body	No official central body	No official central body	No official central body	“bit apart from each other”	“Yes, I would say so” (A/N: Uncoordinated System)
Revised Support Need for a Government Support System							
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Source: Case Study.

In response to the question regarding the assessment of the current governmental support system, all enterprises stated in the interviews that from their point of view and experience, the current system is rather based on individual organisations that are not distinctly interconnected with each other. In addition to the assessment that it is was rather an uncoordinated approach of the various organisations, it was also reported that the current design is a patchwork rug in which there is no central office that coordinates the organisations among themselves. This made it difficult to clearly identify which organisation was offering which services:

Interviewee P:

We have that to some extent in Germany too, but it is still far too much of a patchwork rug, also due to federalism etc.

Interviewee 1:

Exactly, yes. So I don't know of any official central office where you can turn to, I don't know of any.

Interviewee 7:

Yes, I would say so, it is sometimes a bit difficult to see through who is doing what now.

Directly related to these findings, the majority of enterprises indicated that a change in this existing approach towards a comprehensive, centrally coordinated support system would be the appropriate approach from which they would hope to gain significant added value. There was no enterprise, regardless of its business characteristics, that was negatively opposed and could not identify with it. Interviewee P commented that a central organisation within the government support network would be the optimal solution for coordinating the different independent organisations within the network.

Interviewee P:

Ultimately, it has to be a person who knows what funding opportunities are available, or basically an institution that coordinates them.

Similar to interviewee P, **Interviewee 6** spoke out in favour of a uniform and coordinated solution and in this context named further indications for a concrete design of a so-called on-house approach that would be important for his enterprise from his experience. Interviewee 6 clearly pointed out the advantages of legally separate organisations, which each offer different funding instruments and can better respond to the needs of the enterprises through this specialisation. Nevertheless, he made it clear that an upstream organisation that takes on an information and mediation role would have a clear added value. Interviewee 6 quoted as follows on this aspect:

I think on the one hand, of course, if I only have one contact person who takes care of everything, it's more comfortable. But I think you have a bit more flexibility if everything is a bit separated from each other, because then one person can concentrate on one field and doesn't have to somehow bring eight things under one hat.

Another indication for a funding system that continues to consist of a variety of organisations but works in a unified way and benefits from a central contact point was provided by case 1, which, as also emerged from company documents, is very strongly involved in technical funding programmes at federal and state level. From the experience of interviewee 1, a centrally coordinated system is preferred, but at the same time there is nothing to be said against having one or more other contact partners at the units to handle the actual funding. **Interviewee 1** commented on such an approach:

That would be nice and desirable.... I also think it's good that you have your own contact person for each project. Since we have several projects going on now, I have of course called one of them and asked about another thing from another project and they are actually well networked with each other and I would say they are communicating with each other, so that one knows about the other and then you could also ask questions about, I would say, two or three projects centrally.

In addition to the general affirmation of a change in the structure of the funding system, Interviewee 3 even brought an interesting aspect into the discussion, as from his point of view even a cost sharing by the enterprises would not be out of the question. In concrete terms, he would also hope that this would increase the efficiency of the central office, as the enterprises would then have a chance to participate or at least exert influence.

Interviewee 3:

Perfect. Good idea. I would do it immediately. And then say that one third must come from the economy as voluntary contributions and the other two thirds can come from me as compulsory contributions or whatever. That's what I was talking about earlier. I would put a bit more pressure on them to provide added value, otherwise there simply isn't the money or the jobs.

The next section will take up this coordinated one-house approach, deepening it and introducing further elements and factors from the perspective of the various cases. Explicitly, the role of a network coordinator will be discussed, how this coordinator could act as an interface between the enterprises, the governmental organisations and possibly other external organisations in order to be able to meet the need for change in governmental assistance identified by the enterprises in the previous section.

4.5.3.2 One-House Approach: The Key Success Role of a Coordinator

Building on the findings from the interviews already described, from which initial ideas could already be derived from the opinions of the interviewees, the four specific tasks that the enterprises associated with the role of a central network coordinator will be described: Information point and intermediary within the government network, personal contact person as well as connection to external organisations.

Table 36: Elements of a Central Government Body

C-P	C-1	C-2	C-3	C-4	C-5	C-6	C-7
Intermediary within the Government Network							
“A Katalysator”	“Yes”	“That is certainly not wrong”	“Good idea”	“that would certainly be interesting”	“In any case”	“Would be practical”	“Yes, that would certainly be good”
Personal Contact Person							
„Key success factor“					“that is more important than anything else”	“Very important, actually”	„helpful“
Connection to External Actors							
			“coordinate, , who does what”				“As I said, there are many”

Source: Case Study.

Intermediary within the Government Network

The findings of the study indicated that the enterprises consider a central office to be a very important catalyst that has a significant influence on the easy use of various government support by the enterprises. It has been shown that especially in the initial phases (awareness and initiation phase) of the interaction with the government agencies, a central contact point would provide the decisive added value for easy use by the enterprises. The findings to date have shown that the time component within the enterprises in particular, but also the patchwork rug that exists in the government funding

landscape, represent major barriers that a central contact and coordination point would counteract and eliminate or at least mitigate the current weaknesses.

In particular, the fixed contact point would reduce the coordination effort for the enterprises and increase the awareness of the various governmental organisations, since the central office is informed about the various offers and can pass on this information as a multiplier to the relevant enterprises in a targeted manner. In addition, the enterprises stated that an initial assessment of whether funding is available for the request would already be a great added value. But also the subsequent establishment of contact would be improved, since the central office can refer directly to the relevant organisation or already directly to the relevant contact person within the respective organisation. It was interesting that this central office was mentioned as a significant catalyst and key success factor, rather than individual tools that would be needed by the enterprises.

The findings from the cases were of course case-specific, but the uniform basic opinion pointed in the same direction and confirmed, regardless of the different characteristics of the enterprises and their foreign activities (whether active in export or FDI), that a comprehensively usable funding system would be helpful. Moreover, the affirmation of a central coordinated system across all cases showed that both enterprises as in case 1 or case 3, which have already taken advantage of various government supports, e.g. research projects or advisory services of the AHK, but also enterprises as in case 2 or 5, which have so far used very few to hardly any government support services, would be in favour of such a revised government support network system.

Interviewee P:

You simply need catalystsIn the end, this was always connected to these catalysts because we, as employees in the private sector, simply do not know our way around the bureaucracy, nor do we know exactly what is necessary for a funding programme that is put out to tender, if you take a look at the basis for the tender. So you really have to want to do that, and many people might shy away from it, and if you have someone who can reduce the reaction temperature by knowing or advising you on how to write applications or assess what hurdles you have to jump over, whether it's worth it to jump over such a hurdle, that's actually the most important thing for me. Someone who knows who to contact, who knows which institutions have the main focus, for example in Freiburg, which Fraunhofer Institutes are involved with what, which chairs at the University of Freiburg are involved with what, and then ultimately bring the people together. For me, that is the central factor for success.

Interviewee 1:

That would be nice and desirable... Then you have the area manager who is responsible for you, and with these funding companies I could also imagine it being similar, that you also - as you said before - have questions if you want to do something, that you have some kind of mediation, so that it is really done via a central office.

Interviewee 2:

In principle, I think it's better if you call somewhere and you end up with five different ones and have to start all over again each time. They don't know you, you always have to explain everything again, which is certainly tedious. So it makes sense to have a contact person who then mediates everything else. That is certainly not wrong.

Interviewee 4:

So if there were such a person or a few people with whom you can always talk and who, I say, take on this central role, that would be interesting simply to clarify what you can do and where you can get what and whether it makes sense or not to ask state institutions here, to take part in this preliminary clarification, that would certainly be interesting.

Interviewee 5:

Of course, it would be praiseworthy if there was someone who said, okay, such companies have a contact person through the Chamber of Industry and Commerce, where they can really say that if they are planning internationalisation, they can give them a call. Yes, of course, logically, that would be good.

Interviewee 7:

Yes, that would certainly be good...Yes, good, if there is, I say, some kind of central hotline number.

Interviewee 4 added another aspect to his statement above that proved the importance of a central agency. Specifically, he placed the importance of a central agency above that of a single specific funding programme. This showed that a central office located within the central network provides more added value than some funding instruments:

Yes, well, I'll say grants... there's the weighing up again, what do I have to do to get how much. If I can get 5,000 euros and have to have someone do something for days and in the end it's not safe, then honestly, we don't do it. That makes no sense. But I would say that this central contact function would indeed be something important, generalised across all topics, but like a spider's web, I would say that it opens up a network on the state side and provides access there.

The above comments clearly indicated that a central information and connection point would be of great benefit to enterprises. Even though there is an initial approach in the form of the digital funding database and the digital service platform GTAI in Germany, another comment from Interviewee 2 showed that exactly this platform was not known. Even though there is an initial approach in the form of the digital funding database and the digital service platform GTAI in Germany, another comment from Interviewee 2 showed that even this platform is not known. In the specific experience report in case 2, it was stated that compensation was provided by a project partner in a technological research project, but a state-coordinated information centre would still be helpful for the future.

Interviewee 1:

So I don't know of an official central place where you can turn to, I don't know now. So far I haven't needed it. Maybe I would have been glad to, but since we have the project partner on board, who offers help with everything, we feel we are in good hands. But surely it would make sense to have a central agency from the country or the state, and that certainly exists. I just don't know.

Personal Contact Person

This digital approach that was chosen for Germany was also partly a topic in the course of the interviews and some interviewees went into more specific detail about the difference between a personal and a digital approach. From the findings it became clear that personal contact is an essential element of the central information and connection point for the enterprises and this factor was even described as a key success factor. In addition to the enormous time savings resulting from the competence and knowledge of the personal contact person, other values such as trust and security but also long-term relationships with the contact person were mentioned as important characteristics in the various cases.

The interviewees based this experience on their wealth of experience during their working life as well as the extremely good cooperation with the private business association wvib,

in which seven of the eight enterprises are members. But also the other case (case 6), which was outside the catchment area due to its geographical location, confirmed that personal contact is of great importance. Even if it was clear from the findings that not all of the interviewees did not comment specifically on this topic, this was not proof that they would prefer a digital solution and that personal contact is not so important. The statements regarding the factor of personal contact resulted from the structure of the semi-structured interview and were not part of the questionnaire. Nevertheless, a total of four statements illustrated why the link and the trust in the person in charge is a very important aspect for the enterprises:

Interviewee P:

I think you need the right people in the right place who also... that's the key success factor for me.... That is, you need someone who..., in order to do something like that, reduces it by having a person who knows, who knows the programmes, who doesn't have to familiarise himself with them, who doesn't have to study them and say "Hey, what are your concerns or I have a concern, I know something" and then you also deal with it.

Interviewee 4:

Well, it depends on the topic. If it works like I say with some other consultants who rely very heavily on digital, then I have all the work. That means I have to make everything available to them digitally and may not always have it there digitally. The work is then one-sided for me. If I now perhaps only have someone I can call, so I tend to focus more on the personal and many things are actually first a rough question, and then to do it digitally when it's still too vague, that's also... well, you can do both, I think, and I would enjoy it if there was someone who was known to me, who was very familiar with these funding opportunities, who could already refer me, pre-verify me, feel my way forward, and who didn't have to feed me a lot of work first, only to find out at the end that they couldn't help me after all.

Interviewee 5:

There (A/N: at the wvib) you have a direct advisor with whom you deal from time to time, and then it's really easy to get started. To be honest, I wouldn't know where to call the Chamber of Commerce at the moment. It's simply too far away.... So my personal experience: that is more important than anything else. If you want to build something somewhere, you need people and not digital data sheets or whatever. You need people with whom you can talk, as we are doing now, who can then show you ways, maybe even open them up. Something always comes up.

Interviewee 6:

Very important actually (A/N: How important is the human being in such an aspect?)....

Of course, there is also a certain amount of security. You have to work with the people, you have to know them, you have to be able to trust them to a certain extent when you give them information or anything else. That's why personal contact is also very, very important.

Interviewee 7:

Exactly. I think that if you use it a little bit as a tool, digitalisation, it's easier in many areas. But I probably wouldn't run everything completely on it.

Connection to External Actors

The third important element that emerged from the case study analysis is that the network coordinator has another, additional important role from the enterprises' point of view: The connection to other private/institutional associations and enterprises.

The background to this is that it became clear from the interviews that the enterprises also cooperate strongly with external private/institutional associations and enterprises in addition to the state funding offers; private associations such as the wvib, other trade associations or funding consulting companies were mentioned as examples. **Interviewee 7** claimed:

Yes, that would certainly be good. As I said, there are many... we talk partly with IHK, we talk with the wvib, we talk partly with somehow regional or municipal bodies.... It seems like everyone is doing something for themselves, but there is often no coordinated cooperation.

Similarly, the findings confirmed that without coordination with the various actors, there is an increased flood of information, which is also much uncoordinated and overburdens the enterprises. **Interviewee P** reported this in connection with experiences of research projects that his enterprise, which is very strong in research, has made in other countries such as the USA:

But at the end of the day, these associations also have to link up with each other, because otherwise you get information from all corners and ends and you don't know any more... one doesn't know what the other is doing, different priorities are set and if you look at China, I was also in China last year on a delegation trip. Of course, everything is centrally organised there. They have a plan and then you turn to one place and are passed on. They have probably copied this quite well from the USA.

Ultimately, they are building up certain institutions like MIT, which then also mediate between the private sector and research, and then contract research is carried out there. So if you have an enquiry, you ask the coordinator and he forwards you on.

In this context, **Interviewee 3** also made it clear that there must be a clear distribution of tasks in the coordination, but that care should be taken to ensure that the state coordination office is the strong factor and that the distribution is not passed on to a third party. This is also of great importance because not every region has an additional institutional association like the wvib that could take over this coordination office:

I think you can coordinate, for example, who does what, because there are already things where you can consider whether you first ask the IHK or the wvib or Südwestmetall or something like that as an employers' association... If you have a clear structure, of course, that one concentrates on this, the other on that... On the other hand, it is sometimes good to have two opinions, because sometimes many things are not clear. It's good to ask two people and listen to their opinions. But if you send the wvib ahead and the state authorities are behind, then they do even less from my point of view.... If they are one step behind, then it is even more difficult from my point of view.

Furthermore, in the view of technological research support, it became clear from the analysis of the cases that in the initiation and handling of research projects for product development, other private enterprises were often involved as consultants. Since the enterprises selected in the cases manufacture high-tech products, either machines or complex technical components as suppliers, and product developments are necessary for all enterprises to be able to survive on the market, all enterprises have already made use of such government support programmes in the past. Partly the enterprises did not see themselves in a position to administratively handle the funding without the help of external consultants who focused on the administrative handling of such research projects financed by the state. These various statements in the cases were a further indication that if the use of such consultants is necessary, the central coordination office has another group of external organisations that must at least be taken into account in the overall coordination of the government funding network. The following various statements confirmed this assertion:

Interviewee 1:

But there are certainly enterprises that take advantage of the help. Well, there are also funding offices where the mediators submit their applications.

Interviewee 3:

In some cases we have to pay external consultancies to keep an eye on all the papers and other things and these funding programmes for us.

Interviewee 4:

Yes, we actually have, let's say, a company with which we work quite closely. They work together with our house bank.

Interviewee 5:

Spitzmüller (N/A: Name of a consulting company) is one of them and then there are a few of them. We are now also working with one of them and we are constantly being offered projects.

4.5.3.3 Diverse Need for Support Instruments: Modular Approach

Across all cases, it has been shown that different support needs have been highlighted by the enterprises. The different needs show that the governmental organisation network must consist of different organisations offering a wide range of funding, as the enterprises highlighted different needs depending on the specific enterprise case. In part, these needs overlapped, but in part they were also different in each category.

In principle, the responses of the enterprises were not complete in terms of the overall support needs of SMEs, however, two aspects emerged from the responses of the enterprises. On the one hand, that the support needs were very diverse and therefore a flexible, modular support system would be needed by the enterprises. And on the other hand, that the previous categorisation of the support offers of the governmental organisations should be expanded because new support need arose that could not be classified within the existing scheme. In concrete terms, the findings showed that an essential factor, the general exchange of experience, has been neglected so far, even though there is actually an institution, the chamber of commerce, which already tries to connect the regionally based enterprises.

In summary, table 37 shows some of the different support needs that have emerged from the individual cases.

Table 37: Diverse Need for FTIP Instruments

	C-P	C-1	C-2	C-3	C-4	C-5	C-6	C-7
Finance								
Export Credit Insurance	x				x			
Forecast Information				x	x			x
Market Development								
Trade Fairs	x	x						x
Brokerage Platform						x		
Technology								
Research Projects	x	x	x	x	x	x	x	x
Political Interventions								
Standards	x							
General Support				x				x
Experience Exchange			x	x	x	x		x

Source: Case Study.

Finance Instruments

Across the different cases, it has become apparent that parts of the support programmes offered, e.g. state export insurance for political risks as well as manufacturing, export as well as financial credit risks, were and are of varying importance to the enterprises in the different cases.

Only two enterprises indicated that this hedging instrument is actively used or will be used in the future. Both have stated that this instrument is an advantage for foreign activities and, in particular, speeds up the processes as the risks are hedged.

Interviewee P:

So we have used it, it has brought something, so business has come about that otherwise would not have come about, and from that I can say that it is an important building block in certain moments that can be used.

Interviewee 4:

Then these credit hedges, i.e. hedging customers abroad, would indeed be a topic or is one for the future. Now we already have this topic with Eastern Europe in the Czech Republic, of course, and there is often not as much dedicated information as here. That is certainly an issue.

From a case-specific point of view, what was interesting about these two enterprises was that both do not belong to the group of micro- or small-enterprises but, as the turnover figures from the annual reports indicated, to the medium-sized enterprises class.

When analysing the other enterprises that did not use state export insurance, it became clear that this case group also contained medium-sized enterprises. However, it also was obvious from the data that the payment option commonly used by the enterprise in advance or an additional letter of credit is considered sufficient. Enterprise 2 additionally relied on its own dunning and accounts receivable management to cover the default risk, according to the reports in the Federal Gazette. **Interviewee 2** also mentioned the trust factor in the buyers as sufficient protection:

Abroad, no, we really don't have it there. But we do some things that I would say are not so standard European, we do more with advance payment, so with Iran, China, for example, we do with a letter of credit to secure that. Italy, we don't really have anything there, but that is simply the basis of trust, because we have been working with the company for 15 or 20 years now. We also have a basis of trust with the French, so we have never lost anything. So from that point of view... the risks where we think we can get something or where we could get something, we make sure that we pay in advance.

Interviewee 3 confirmed this approach, which is based on securing payment in advance, in addition to positive experiences from the past.

As I said, we haven't had any major losses so far and therefore we haven't (seen) the need. For large items, we also make half of the payment in advance, for example, if the amounts are large, the customer has to pay half in advance. Or in China, for example, prepayment is the rule, at least with Chinese customers, because otherwise you sometimes have to chase the money for a long time, and if things go badly with a small company, they sometimes go bust every few years and are founded again. You have to be careful.

From these cases it was evident that the export credit instrument is simply not relevant for all enterprises in their foreign activities in its current form. To make matters worse, the enterprise in case 7 assumed that the individual business cases were too small to use

the tool. This is despite the fact that the enterprise is a medium-sized enterprise, with an export share of 83%, as further enterprise data showed.

No, we haven't done it yet. They said it's only worth it for projects of... even 100,000 euros is too paltry for them, I'd say. So it's also a... because the effort for them is probably relatively large, they prefer to do it only for projects worth millions, so to speak.

This facts strongly suggested, as there are first products (small ticket solutions) for financing contract values below five million euros and include easy processing (Source: AGAPortal.de), that enterprises are not aware of the instruments and therefore cannot use them, although they might like to do so.

In addition, another need was mentioned in the area of financial instruments, which is related to the payment options offered by the enterprises. Enterprises stated that in their case, more up-to-date information on business information such as creditworthiness information or general company data would be desirable and would thus reduce the risk of default. Even though there is already an association in Germany, the Creditreform Group, that offers these services, enterprises emphasised a partly need for optimisation in this domain, which they would like to see covered by state aid, since the data basis is often too outdated and it is therefore difficult to make a forecast. Looking at the three cases in more detail, it became clear that all three enterprises have not made use of classic state export insurance so far, but have partially insured risks themselves:

Interviewee 3 stated in his comment that this would be desirable but that he was unsure if it would be feasible:

If you want to take that with you, it would be nice to have something that is a bit more up-to-date. Creditreform is only based on balance sheet data from one or two years ago, and that is of course all outdated. You don't know whether the enterprise is really doing well at the moment... I don't know if you can collect that kind of data.

Interviewee 4 added for his enterprise that he partly sees a need for improvement due to the old data and that an improved digital solution would be desirable, but that he can also deal quite well with most of the existing data:

Yes, partly, partly. So that's partly because the companies aren't up to date, because they submit as late as possible, and the second thing is, of course, if Creditreform doesn't get anything new, then I'll say they downgrade it, and mostly - this is our experience now - it's the fault of the customers about whom you want to find out

something, that you can't find out anything about them and Creditreform closes the bolt. If the companies are healthy and have all the information at hand and there is actually nothing but a question mark somewhere, then the data is also there and it is actually so up-to-date that you can work with it. Most of the time, when a company is sick, it is not healthy again within a month.

Interviewee 7 also stated that he identifies a need for improvement, but he also understood if the enterprises disclose their data as late as possible. In addition, from his enterprise's point of view, he did not see much possibility to change this:

Yes, yes, exactly, two or three years old. I always notice that because we also regularly do a competitor analysis and then there are competitors of ours, as you said, Federal Gazette and so on. I think the last information we provided is also from 2018.... Yes, of course. But nothing can be done about that, because we do it the same way.

Market Development Instruments

In the area of market development instruments, the findings of the case study research revealed a need for support in the areas of trade fairs and a brokerage platform.

Trade Fairs

By several enterprises the need for joint trade fair activities was mentioned, which would represent an added value to support and successively expand the export activities. Further information from various company reports (e.g. business magazines, newspapers) showed that in particular the expansion of the export rate in case P (40% up to 50%) is a component of the strategy for company growth. In the other two cases, case 1 (more than 90%) and case 7 (approx. 83%), reports showed that the export rate was already very high and had to be maintained at all costs, as the German market is very saturated.

Particularly in a coordinated, as is currently already offered under the umbrella of AUMA or the state programme Baden-Wuerttemberg International (bw-i), the enterprise from case P saw an added value that resulted from its own experience:

By the way, we once took advantage of an export promotion measure by the German government that was in Dubai. There is a trade fair there... what was it called? German trade fair, I think. Then we went to the Arab Health in Dubai and that was the German pavilion, so to speak, and there we also received support with regard to our exhibition stand etc. Then there was Baden-Wuerttemberg International, which also had a separate stand, Baden-Wuerttemberg had a separate stand and I don't know what. So there are possibilities, we have already taken advantage of the possibilities regarding trade fairs and that was actually quite a good thing. So when

you as an enterprise have to take care of everything for the first time, like a trade fair and where you have your stand, so that you appear well in the German pavilion that was something we did. That was good.

The enterprise from **case 7** basically made a positive assessment of the joint Made in Germany trade fair activities, but was critical of the current trade fair system of joint stands, as its enterprise likes to present itself as an independent brand at a trade fair. Nevertheless, the enterprise was fundamentally not averse, especially with regard to more information on promoted trade fair activities. His criticism of the previous funding performance referred to the concrete design of the trade fair stands, as this was not considered sufficiently representative, hence the urge to operate a stand of their own:

From time to time, we have joint stands like this - Made in Germany often has joint stands like this - and we hang on to them. We don't really like to do that, because we want to be recognised as an independent brand. But sometimes it certainly makes sense, and when you see how much promotion there would be.... This is Germany, actually one of the most important economies, with such a paltry stand. Sometimes it doesn't really fit together.

The CEO from case 1 stated, that although no funding has yet been used or information about it was available in the enterprise, further information would be very helpful.

No, we haven't yet. No, I haven't yet. But it would definitely be interesting to get some information.

Within the eight cases, two enterprises stated that they are very cautious about participating in trade fairs because they do not play such a big role in their considerations. As an example, the CEO of **case 3** said:

So we're not... how do I say this? We are not the ones who use fairs.

What is striking in the comparison of both enterprises with the other enterprises that have already used state trade fair promotion measures or can imagine using them in the future is that both produce technical components that are used as supplier products. The three other cases P, case 1 and case 7 each produce end products and use trade fairs to offer these to the sales market.

Brokerage Platform

Enterprise 5 stated a need for an intermediary platform to promote its products and services to other enterprises abroad and to attract potential customers. Other enterprises did not explicitly state this need themselves, but this could be due to the differences in the cases. As was evident from the interview and the further information on the enterprise's website, the enterprise from case 5 is very much focused on customised solutions. The enterprises in the other cases also offer customised products, but in this enterprise the degree was higher, also due to the history of the enterprise. Formerly a classic engineering office for the planning and construction of prototypes of technical parts, the enterprise has developed into a company that offers small series in addition to prototype construction within the last years.

In the aforementioned case, a digital innovation platform for mediating and offering one's own development services to foreign enterprises would be an added value:

That would be, let's say, a portal. So if the state of Germany had, let's say, a portal where you... I'll just put it in China or something, where you can simply apply for technology, where you can somehow apply and where there is somehow a portal in China where Chinese companies can practically enquire about our services. So somehow it's just like that..., such an intermediary portal, where you cluster yourself: Industry or industry sector as an engineering office or whatever, service, development, production, prototyping, whatever, and then the companies approach you directly via such a portal.

A follow-up investigation of this case-specific aspect revealed that the iXPOS portal, which is anchored on the GTAI website and is also operated by the GTAI, basically has a business finder database that is designed and developed in this desired direction.

However, the cross comparison with the results on awareness of the various funding instruments shows that the enterprise in case 5 was not aware of the GTAI website at all. This means that the enterprise was not able to make use of this help and acquire customers via this platform.

Technology Instruments

All enterprises in the cases stated that various governmental innovation funding at federal or federal state level, predominantly in the form of collaborative research projects, has been the most important approach so far, which has also had an immense impact on the internationalisation of the enterprise. In the future, too, these research projects will be

urgently needed in order to be able to withstand fierce global competition through product innovations or even production innovations. The majority of the enterprises were also engaged in ongoing research projects, sometimes even in several at the same time. The importance of the very broad interest in research projects across basically all cases could be linked to the very high technological orientation of the enterprises. All enterprises are dependent on their own product development. It was striking that there were no differences in terms of the size (number of employees) of the enterprises. Funded research projects were and are relevant for micro, small and medium sized enterprises. The same applies to enterprises that manufacture technical components as well as to enterprises that are involved in mechanical engineering. Below are the different statements of case 1 (14 employees/mechanical engineering), case 6 (9 employees/technical components) and case 7 (98 employees/mechanical engineering), which covered these different characteristics. In addition, further information from e.g. the Federal Gazette or the enterprises' websites underlined the importance.

Interviewee 1:

Known, yes. We have also been dealing with the BMWi for... yes, in contact for over two years and dealing with projects for over a year.... Exactly, they support us in several specific projects. So the project partner is not... in this case, lead partner Jülich,... That's not a project partner in the sense, but rather the government agency that basically provides the funding.

Interviewee 6:

Exactly, we have further developed some of our own products and new developments.

Interviewee 7:

There are these ZIM projects....These are pure technology funding projects.... It's important because research, if you think about it, I just listed four active projects that we're working on at the moment with a grant of between 100,000 and 150,000 euros per project. So the duration is two to four years. So that's money that we can use to finance our development team, so to speak. Otherwise, we probably couldn't afford it on this scale. So it's important that such funding is available, so that small and medium-sized enterprises can also keep up technologically, let's say, and develop further.

The enterprise from **case 3**, which has been very active in the past and has a lot of experience, raised a particular aspect with regard to the research projects in relation to

product innovations. Specifically, it is about the concrete design of the funding projects, which are sometimes not suitable for a technological company like them, because the innovations are not innovative enough, either from the point of view of the research partners or from the point of view of the funding bodies. More general funding, possibly in the form of grants, would make sense, especially for the needs of SMEs:

In the end, I think the topic was the main reason, because I think what we wanted was not innovative enough. The innovative topic was not in focus for us and then they just said that it was useless, because what we wanted was not innovative enough for Mr ... and then also for the doctoral student, I think. That was a pity....Then it has to be so innovative again that it is so far away from the product that you have to say again that it doesn't make sense for us as a small enterprise, but we have to develop something closer to the product and not something that will really only be available in ten years. I mean, that's important sometimes, but it's often not feasible for a small enterprise. It's the big ones who can afford it, such hobbies, I always call it, and then you just have to see if and when it would make sense for the market... It has to be grants, because loans, because the money is so cheap, it's useless.

Furthermore, the enterprise from case 2 stated that there was use but the extent was not particularly pronounced. The reasons lay in particular in the long duration of the research projects and the long application process. This is in contrast to the fundamentally short time for product innovations, which is usually very short due to customer needs. For this reason, enterprise 2 tended to rely on their own solutions:

Once or twice we have already done something like that with the cooperation of... well, with two or three companies together, I think we have already done two things like that.... We simply say that what we can do ourselves, we can do ourselves, that's the story, especially when it comes to the product or something. These innovations are usually only nuances, what it's all about, what you might have to change again or what you should do. We tend to say that this has to be a completely normal process for us, without having to look again and again, I first have to make applications, I have to do this, I have to do that. This thing has to work for us in part.

Political Intervention Instruments

Within the group of political intervention instruments, there was a very heterogeneous picture of desired support, but the few statements from the enterprises were also a good indication that political interventions are an important component of government support from the enterprise's point of view. As mentioned, it was striking that the needs were very case-specific.

Standards

Case P, an enterprise in the medical technology sector, indicated an explicit need in the area of non-tariff trade barriers in the form of uniform standards. Even if tariff and non-tariff barriers to trade have been reduced within Europe, it is much more difficult in non-European business. **Interviewee P** mentioned at this point that, in addition to the attempt to conclude further trade agreements with standardisation, specialist advice offered by government agencies would be particularly helpful. As an SME, it is difficult to hire your own staff with the knowledge to do this:

I think it would be very useful to provide support in the area of the different standards that have to be complied with in different markets. The EU has the advantage of harmonising standards so that trade can be simplified.

...to make that possible in the end, also internationally. So if you want to be certified, for example in the area of medical products, you always need someone in-house who is familiar with the relevant standards in the target markets, so that you also comply with them and if you get support, because we will not be able to introduce similar standards everywhere.

The fact that this requirement is very product-specific is illustrated by the comment from interviewee 2, an enterprise that manufactures technical components in the non-medical sector:

I would say that now. We have never had a problem, no matter where we deliver it. It's not really a case of "this has to comply with this and this and another 25 other things". But we have never had that problem, whether in America, China or anywhere else.

General Support

Two enterprises also noted that in their experience there is a need for optimisation in the general political support of SMEs. In this area, too, the enterprises would like the concerns of SMEs to be heard more, as there is the feeling that only the large enterprises are heard. A better connection to decision-makers, but also the reverse way of obtaining information that are relevant for planning the future, is a relevant aspect for the enterprises in these two cases.

Interviewee 4:

These are mainly, I would say, the SMEs themselves. To be honest, I stay out of it, even from the political - let's say elected officials or something like that, because they speak here today, there tomorrow and they try to please everyone. It doesn't make sense for a medium-sized company to operate there. The corporations have, let's say, their cornerstones, where they have always occupied in Berlin. For us SMEs, it is simply important that we have access to information about what is planned and by when, so that we don't plan something, let's say green, and then some law comes along, for example our Renewable Energy Sources Act and the whole issue, which is very bad in the energy and environmental sector from a legislative point of view. As a medium-sized company, you can hardly invest in long-term projects.

Interviewee 7:

You often hear, "Yes, small and medium-sized enterprises are very important, we have to strengthen them," and in the end, when you see who the prime ministers or the chancellor go on business trips with, it's Siemens and Daimler and the big companies again. I think that small and medium-sized enterprises are still the pillar of the German economy, but unfortunately they are usually treated a bit like stepmothers by politicians.

Experience Exchange

Several enterprises from the different cases stated that they generally rely very heavily on the exchange of experience with other enterprises within regional networks. This is not only limited to international activities, but to general information gathering. Moreover, the enterprises did not indicate that this instrument has to be considered as a general instrument, as information on many different topics (e.g. finance, market-development) is exchanged.

Interviewee 2:

But first of all, I would definitely contact companies that are perhaps of a similar size, perhaps have a similar set-up, to get reports on their experiences.

...they know companies that may already have had this problem and then I hope I have an honest contact person at the company, because you are actually in the same association, which is so highly regarded in the wvib, network and so on, and so on, that you can then certainly hear something out sooner than if I do it via a chamber of commerce or via a state authority and ask what it looks like and so on and so on. Everything is always good there.

Interviewee 3:

That is worth a lot. I would say that this is one of the main added values of the wvib, this exchange of experience.

Interviewee 4:

Yes, definitely. That is the knowledge and not everyone has to go through the same bad experience again that someone else has already had. This is now the exchange of experience among SMEs, and the exchange that really brings something to SMEs.

Interviewee 5 added that his enterprise particularly values the aspect of trust that is built over years of relationships within the network:

That is very helpful. So if you're in a group like that for a longer period of time, there's a mutual trust and then you can turn to one or the other and just call and say, "Hey, whatever, I've got a staff problem right now or I've got something else right now. How do you do it?"

From what the interviewees above mentioned, it was evident that the benefit of the exchange of experiences is closely linked to experiences resulting from the membership in the private association wvib. All enterprises that affirmed this instrument are members of this private association. However, this membership is linked to a fee, so that not all enterprises are members and this association is also regionally limited.

The state association that also has a similar task, the Chamber of Commerce, was also used, but the exchange via the wvib was preferred. **Interviewee 7** clarified this in a detailed statement.

But the Chamber of Industry and Commerce also regularly organises events and invites people, including now, I think, many online things....Yes, there have already been moderators, there have been small working groups where people exchange their experiences with online activities....

When it comes to training, we also have the wvib, the business association in Baden. It also offers a lot of training, for example on customs formalities. There are also working groups where many of our employees... for example, production managers or development managers and marketing. The marketing staff, that is, there are experience exchange groups, they meet regularly and talk about... usually they meet at a company, the company presents its activities and then they talk about... there is just an exchange of experience....

I would say more the wvib like the IHK.

In addition, the comment from **interviewee 2** showed why his enterprise prefers the wvib to the IHK:

We see IHK more as a necessary evil, because we have to do it. So you are obliged to be at the IHK. We've never really... how should I put it? We've never really asked

what else the IHK has to offer.... But as I said, at the wvib we simply know what's behind it. We also know one or two companies. From that point of view, the IHK is simply an institution where we don't know what's really behind it.

Of particular interest were two factors that emerged from these results. Firstly, that there is indeed a state institution, even with compulsory membership, which does not provide this service to the satisfaction of the enterprises. On the other hand, it can at least be assumed that this is not a regional problem of the IHK, since **enterprise 6**, which comes from a different region in Baden-Wuerttemberg than the other enterprises, had *no knowledge* of such an experience at its IHK.

4.5.4 Critical Success Factors for a Comprehensive System

With the foundation laid for a modular and comprehensively usable government support system, this section includes important factors that must be ensured for easy use of the comprehensive government network by enterprises. It shows which factors are crucial and how these factors facilitate the use of the system. These critical success factors include various aspects that apply to all four phases of the interaction process between the SME and the government organisations within the one-house approach. The basis for uncovering these critical success factors was, in addition to the experience gained from the previous use of the enterprises in the cases already identified in the previous sections, further questions to the interviewees and the supplementary inclusion of relevant documents aimed at exploring the nature and scope of these critical factors. The critical success factors have also shown to be partly very case-specific.

4.5.4.1 Proactive Support

Table 38: Critical Success Factor: Proactive Support

	C-P	C-1	C-5	C-7
Proactive Support	X	X	X	X

Source: Case Study.

According to the findings of this research, it was evident that an active approach by the governmental organisations, accompanied by regular information on support instruments,

would offer significant added value to the enterprises. Basically, the previous findings have shown that SMEs in particular have a limited time capacity and are also very dependent on information from third parties.

Based on this aspect, it also became apparent in the research cases that proactive information on the part of the enterprise often does not take place for the reasons mentioned above, and that the enterprises are also waiting to be informed by the government organisations:

Interviewee P:

It's a debt you have to fetch, so to speak, and you only go there if you really get a strong impulse from outside, I'd say. Proactively poking around, that's not something you do, so I certainly don't do that.

Interviewee 1 also expressed a similar opinion, making it clear at two points that he would like more information on joint trade fair activities and future funding programmes, but would like to receive this information proactively:

So it would be interesting to get some information on that.

Exactly, so I think it would be interesting to write to enterprises on a regular basis.....

However, further statements from enterprises were also important, showing the importance of a more active role of government organisations, such as the Chamber of Commerce. **Case 5** brought in another interesting aspect in connection with the knowledge of subsidies desired by the enterprise. As could be deduced from the previous section on the needs for foreign trade and investment instruments, a brokerage platform would be of interest. As already mentioned, such a platform exists, but the enterprise was not aware of it. Regular proactive information about general as well as project-specific funding instruments could close this information gap and lead to improved use.

A similar situation arose in **case 7**, who were basically aware of the export credit insurance support instrument, but not of the exact, relatively new design, which is aimed at the specific needs of SMEs by offering small-ticket solutions. In this case a proactive approach could quickly and effectively communicate new regulations to the enterprises as well:

They said it was only worth it for projects of... even 100,000 euros is too paltry for them, I'd say. So it's also a... because the effort for them is also relatively large, they prefer to do it only with projects worth millions, so to speak.

Interviewee 7 added in the interview, when denying awareness of the GTAI/BMWi funding platform, that the governmental organisations should urgently do something about it:

Then they should do something to make it better known.

As information material for regularly updates, **interviewee P** shared concrete examples from his experience with the private association wvib:

As a member of the wvib, you receive a monthly brochure, a kind of... how should I put it? - It's a newsletter, and it also mentions funding programmes and specialist literature etc....

4.5.4.2 Processes

Table 39: Critical Success Factor: Simple Processes

	C-P	C-1	C-4	C-6	C-7
Bureaucratic Effort	x	x	x		x
Consistency	x	x			x
Digitisation	x			x	

Source: Case Study.

Bureaucratic Effort

Particularly in applying for funding instruments, the bureaucratic effort was mentioned by numerous enterprises as a critical factor that makes it difficult to use them.

A very general opinion, not necessarily related to experiences from international activities, but to government funding programmes in general, came from **interviewee 7**, who criticised the complex application process:

We often hear that a lot of money is not used from such funding. I think it's simply due to the effort.

...and there it is really quite bad, the application process seems to be so difficult that it is really a punishing task for the municipal employees to have to submit such an application.

Furthermore, in the context of internationalisation the bureaucratic burden was mainly mentioned in connection with innovative research projects. In addition, some enterprises indicated an increased bureaucratic burden in relation to export credit insurance.

In the case of the innovative research projects, the findings showed that increased bureaucracy was reported in connection with the application, documentation requirements and accounting of the projects. Statements from various enterprises gave an insight into the hurdles of bureaucratic processes:

Interviewee 1:

Of course, that's a lot of work, I have to say. Of course, you also have to find the time to put it all down on paper.

Interviewee 4:

It takes time, especially these application processes are often lengthy. This means that if you want a funding project tomorrow or the day after tomorrow, you have to do something today, and if you want one today and haven't done anything yet, it won't work. That's a coincidence that almost doesn't exist and the mills grind slowly somewhere and often there are also application periods or decision days for which you have to submit some kind of application and then you have to wait for that and of course that's all very administrative, of course.

The enterprise from case P brought another relevant aspect into the findings. According to the enterprise, the bureaucratic effort due to complex application and documentation obligations would not only exist for the own enterprise, but also for the corresponding partner enterprise abroad. This experience was made when taking out export credit insurance, the enterprise has already started to use this instrument and is considering using it more frequently in the future. Therefore, interviewee P's statement illustrates the relevance for both parties, so that customers are not too affected by bureaucratic processes and documents:

This means that the bureaucracy for us will not be reduced by a trade credit insurer even.

No, it's not only difficult for us as a German contractual partner, it's also partly difficult for our business partners abroad. So that's only one half. That's us, but the documentation, etc., where, as I overheard on the sidelines, it also makes it difficult for the local dealer to take advantage of such a programme.

In addition, several enterprises stated that, apart from the purely bureaucratic forms and documentation requirements, the lengthy processes until the application was granted were a major burden:

Interviewee P:

The Fraunhofer Institutes will tell you the same thing, that these funds that are awarded are not used, because by the time you get a commitment, the innovation is actually no longer an innovation, i.e. it takes far too long and requires too much documentation for you to... and the success rate is also too low for you to make the effort and take the risk that someone else will develop it in the meantime.

Interviewee 1:

..., would probably have resulted in the order not being placed either, because it would then simply have taken too long.

Consistency

As discussed in the previous section, the bureaucratic processes are mentioned by some enterprises as a critical aspect, especially in the application and utilisation phase. In addition to simple handling of formalities, applications and documentation requirements, the enterprises addressed the Continuity and consistency of processes, which in their view are of great importance across all phases of the interaction.

Interviewee P:

However, these are always routine activities that you get to grips with relatively well over time. Of course, if you do such one-off stories, you have a higher mental effort when you take advantage of such a programme of the federal government, for example. This is of course sometimes a bit difficult for the staff who have to take care of it.

The interviewee added that within the enterprise, too, an attempt was made to bring continuity into the use of the funding programmes in order to be able to benefit from consistent processes:

That is exactly the reason why we said that we want to try, where possible, to get a regular procedure for us, that is for our employees, as well as for the employees of our customers on site, because right now it is also... With one-off transactions etc. it is simply difficult in some cases.

The usefulness of similar processes was also illustrated by the statements of **interviewee 1 and interviewee 7**. Both stated that experience from other or previous projects was a clear help in processing the applications. It should be noted that the statements came from exactly two cases that run the projects without the help of external intermediaries:

Well, I would trust myself to do it. So after the papers that have already been written on BMWi things and dealt with, I would definitely....

Exactly, at the beginning it would certainly be good if they had some kind of support for first-time applicants or something like that, so that they could say that they might have to be supported separately, because it's still difficult there.

Digitisation

The topic of processes also includes the integration of digitalisation measures, which can be a significant factor in simplifying processing for enterprises. The importance for enterprises, in addition to the already mentioned weak points of communication in the section of the utilisation phase, was also supported by concrete statements of other enterprises that were very open to the digitalisation of processes as a supplement to private consultation by the network coordinator.

Interviewee P:

I am a friend of digitalisation. But I believe that certain things will otherwise disappear in the nirvana of automation. I believe you need the right people in the right place,...

Interviewee 6:

Let's put it this way: state-owned enterprises are sometimes a bit behind in terms of digitalisation.

Exactly. I think that if you use digitalisation a bit as a tool, it's easier in many areas. But I probably wouldn't let everything run on it.

4.5.4.3 Customer Orientation

Table 40: Critical Success Factor: Customer Orientation

	C1	C3	C-6
Customer Orientation	X	X	X

Source: Case Study.

Three enterprises stated that from their point of view, the customer orientation of government support plays an important role in improving quality across all funding instruments. The enterprises illustrated this with examples on various topics.

In case 1, a very technically oriented enterprise from the mechanical engineering sector and a CEO with a technical professional background who takes care of the funding applications, interviewee 1, who was the CEO, complained that the entire formalities and applications are not necessarily customer-oriented. Specifically, interviewee 1 gave the negative aspect as an example that the rather bureaucratic procedures, formalities and applications associated with the funding instruments were difficult due to the language barrier. In the previous section, the general problem of bureaucratic processes in the agreement and usage phases was highlighted in the course of the simple processes. In the case of customer orientation, it was the language barrier (the formal language) that made it difficult for the enterprise to interact. It should be noted that this simpler language should not only be rolled out to the application process, but should apply to all stages of the interaction. Interviewee 1's statement showed that a contact person who also understands the customer's point of view and reacts accordingly would be very beneficial.

So if you have questions, I'd say you'll be given the chance to answer them. If I call the BMWi now, they speak a different language with all these applications and formalities and so on. For someone who doesn't do this on a daily basis, it's relatively opaque, and you're naturally glad to have someone experienced who has already been through this several times to help you deal with certain things in a way that makes sense and doesn't take too long.

Another example was seen in case 3, which resulted from experiences in cooperation with government organisations. Interviewee 3, whose enterprise has had different experiences of using government support instruments for both export and FDI activities, mentioned two examples that involved both internationalisation activities.

First, when comparing the two information and support organisations, the IHK on the state side and the wvib as a private association, it became clear to him that he feels that the private association is much more customer-oriented. In a direct comparison with the IHK, **interviewee 3** felt more comfortable and saw an increased problem-solving capacity in this cooperation with the wvib:

There are certainly a few good people, but there are also some, I have to say, where you really notice that there is no customer orientation, but rather: Now he's being annoying again and wants to know something. Or, in any case, I don't bother to solve it at all costs. That is usually quite different at the wvib. Certainly not everything is perfect there, but they know who pays membership fees here and they make an effort to find a solution and an answer. There is a difference, but as I said, there are also good people at the IHK and AHK. I know good ones there too, it's not like that. But you often have the experience that... because IHK memberships are compulsory, the customer orientation is sometimes not quite as good.

Second, the enterprise wanted to obtain legal information in connection with the activities of the foreign subsidiary in the USA, but was not satisfied with the service offered. The situation was aggravated by the fact that membership in this association was subject to a fee. This resulted in the impression that the organisation does not act customer-orientated:

Yes, I mean, you get some basic information, a tendency and so on. But if you really want to go into detail or say, "Is this the way it is now, the line-up, or is the contract roughly right?", they are very cautious and immediately refer you to a lawyer because they don't want to give you any legal advice. I don't expect that, I just expect an opinion from them, but sometimes you don't even get that. That's a bit of a shame. I would have thought that someone with this experience would be sitting there, knowing the most important points and then checking whether they are in there, without now saying that it is legally sound.

Enterprise 6 illustrated the importance of customer orientation in the handling of a payment default by Euler Hermes. Regardless of whether the insurance company should have stepped in, it became clear that the communication was not customer-oriented and led to disgruntlement at the enterprise. Ultimately, this resulted in a negative attitude of the enterprise towards the organisation. **Interviewee 6** even stated that a cooperation in the future would therefore no longer be an option:

Oh, that was actually relatively non-transparent on their part, how they talked their way out of it with "That doesn't correspond to the performance, that doesn't correspond to the performance"....we were put off a lot. But then we ended the cooperation. That was - let's call it - not entirely satisfactory.

4.5.4.4 Cost-Benefit Ratio

Table 41: Critical Success Factor: Cost-Benefit Ratio

	C-1	C-2	C-3	C-4	C-7
Product Costs		X	X	X	
Service Charges	X		X		X

Source: Case Study

The cost-benefit ratio in the context of funding and its use is an important factor highlighted by different enterprises. Two themes emerged from the findings, one being the pure product costs or how these relate to the output, and the other being the service costs incurred in the context of research projects.

Product Costs

The enterprise from **case 2**, which, as shown in the Federal Gazette, does not use trade credit insurance, stated that this non-use is based on a simple cost-benefit calculation. Experience has shown that a consistent dunning process, coupled with many years of customer loyalty, leads to a preference for taking on the risk of non-payment rather than insuring the risk. Insurance was simply too expensive for the enterprise and would not be worthwhile:

But you don't get trade credit insurance for free. No, I think the time involved would certainly not be the problem or is not the problem. But for us it's a pure cost-benefit calculation. So if I have to pay - to put it stupidly - 100,000 euros a year or if it's 50,000 or 60,000 euros and I have losses in the area that are maybe somewhere around 5,000 euros, then the ratio is not like that.

Enterprises from **case 3** confirmed this assessment that some enterprises are very reluctant to take out insurance:

Insurance always costs money, meanwhile you always pay for it. That means you should only insure risks that you don't want to bear yourself. If a few thousand euros go down somewhere, we can finance that ourselves if need be.

In another case, related to grants, **enterprise 4** added that some grant programmes are simply unattractive due to the amount of the grant, if the effort to apply for them is excessive:

Yes, well, I'll say grants... there's the weighing up again, what do I have to do to get how much. If I can get 5,000 euros and have to have someone do something for days and in the end it's not safe, then honestly, we don't do it.

Service Charges

The problem with additional service charges, which arose in some cases due to the concrete design of the funding programmes (e.g. complex application process), was always mentioned in connection with technology-based research projects and the involvement of external consultancies.

It was already obvious from the previous sections that the effort involved in research projects is high, especially in the agreement phase, and that simple, unbureaucratic processes can counteract this. Within the cases, two different groups of enterprises emerged with different opinions on the involvement of these external consultancies, which charge a commission for the performance of the services. Due to these different views, which had a concrete impact on the explicit implementation of the funding instruments, the processes were thus either outsourced or operated in-house.

For the group that accepted service fees, the picture was as follows. It was conveyed that the fees were moderate and not excessive:

Interviewee 5:

You just have to break down your parts, your work packages a bit and somehow add a few keywords. Otherwise, it's completely taken off your hands. So that's worth the money somewhere, I have to say. Do you understand? I am the manager of such a shop, I have other issues like hours and days and months and weeks to somehow think of some formulations, how I can best somehow get a sentence there so that it sounds important. That's simply not our topic, that's not our day-to-day business, and then of course you find it extremely difficult at this point.

Interviewee 6:

If that were exorbitant, then of course yes. But as they told me, I think what they get is relatively moderate.

On the other hand, the enterprises from the other group criticised the excessively high brokerage costs, which would make the use of the funding instrument unattractive from a cost-benefit perspective, unless they were to do this in-house:

Interviewee 1:

Well, there are also funding offices where you submit your application. I've stumbled across them before, but I'm glad when I don't need them, to be honest, because - of course - money is being squeezed out of everything and at the end of the day you have to manage the project as well as possible right from the start. So you just have to do the work.

Interviewee 3:

There is funding for everything from distribution to technology topics, etc. and how many funding pots there are, which is really bad, I have to say. Nobody knows their way around. We have to pay external consultancies to keep an eye on all the papers and other things and these funding programmes. That costs us a lot of money. So if the state were a bit better organised, then... I feel sorry for the enterprises that are earning the money at the moment, but actually they don't create any added value, they just bring the confusion of the state institutions into a bit of order. But they could also do that themselves.

...of course it's still problematic when you have to pay a lot of money and in the end the benefit for us was very small.

Interviewee 7:

We used to have the Spitzmüller. Perhaps you know him. Now we actually do it directly. We prefer to take the 10 percent or 12 percent that the intermediary collects ourselves.

Basically, the further cross-comparison on the basis of further company specifications between these two groups only yielded limited further findings with regard to the affiliation of the enterprises to the group.

However, it was noticeable that the two enterprises from group 1 are micro and small enterprises, whereas the enterprises from group 2, with the exception of case 1, are medium-sized enterprises. It was possible that the size has an influence on the fact that the medium-sized enterprises are more confident in doing this themselves for capacity reasons. Furthermore, even if concrete figures were not available, the statements of the interviewees and further information from the company websites suggested that the enterprises from group 2 are more active in research projects.

It was therefore apparent from the various opinions above that if additional service charges are incurred by an external intermediary, this will have a negative impact on the cost-benefit ratio. It also became clear that in-house processing also ties up capacities and

has an impact on the cost-benefit ratio. Even if no enterprise said that it would therefore completely forego the funding programmes offered, a simpler design of the funding programmes at all levels would be a positive contribution to simplifying the use of the funding and ultimately increasing the cost-benefit ratio. In particular, avoiding the need for an additional intermediary, as the implementation could simply and more often be carried out in-house, would be an important step and an important factor from the enterprise's point of view.

4.5.4.5 Trust in the Organisation

Table 42: Critical Success Factor: Trust in the Organisation

	C-1	C-2	C-3	C-4	C-5	C-6	C-7
Trust in the Organisation	x	x	x	x	x	x	x

Source: Case Study.

Several enterprises stated that trust in the funding organisation plays a major role in the use of funding services. This aspect of confidentiality was mentioned in particular in relation to the technical research projects, as the enterprises have to disclose a great deal of their ideas and product specifications in these collaborative research projects. Particularly at the beginning of the research projects, the uncertainty is greatest, as no patents etc. have been registered at this point. Since all the enterprises have carried out research projects, as has already emerged from the findings, it was not surprising that the topic of trust and integrity is of great importance and was also mentioned.

In the research projects, the aspect of confidentiality was a major issue, especially since, as reported, some of the research projects involved private intermediary enterprises that have insight into all project data through the handling of administrative processes. Exemplary some statements that have highlighted the general importance of trust in organisations:

Interviewee 1:

Especially when you're involved in research and development, the first question is always the protection of the idea, and without protection you won't have it right from the start if you only have the idea. But you still want to pursue it and there is always

the question of how much you give away in order to make the whole thing attractive, of course, in order to implement it or carry it out. That's always a bit... you're in a clinch, I say, until everything is signed on paper with the partners.

Interviewee 2:

Secrecy is always a thing. What we do is really just - as I said before - nuances to the product, changing something a bit or doing something differently. If someone wants to know what it looks like, they just buy the product, take it apart and then see it. So from that point of view, the know-how also lies in the way I produce it, with what kind of tools I produce it. So secrecy... we certainly have a bit of a problem from time to time when you also take part in such developments with tool suppliers, where they are involved, because you do give a bit away in the hope that it will stay there.

Interviewee 3:

Yes, good topic. I have problems there, I'm always very careful. That's a good topic. I've already said that a few times.

When comparing the individual cases, however, there were different expressions of which organisations had the greatest trust and associated discretion with.

In this weighing up, there were various statements, some of which were contrary and did not show a uniform line. There were statements on the one hand that the enterprises do not differentiate between private intermediaries and state authorities as well as definitely trust private intermediaries:

Interviewee 4:

Yes, we actually have, let's say, a company with which we work quite closely. They work together with our house bank. They can't afford anything if they somehow cheat on confidentiality or something.

Interviewee 6:

I mean, if you have a relatively reputable company or a reputable partner who more or less handles it or supports it, I think it's relatively uncritical. I mean, there are of course confidentiality agreements and everything. In this respect, I would not fundamentally reject it.

Interviewee 7:

I don't see that as a big difference now, I would say.

In particular, enterprises that produce technologically very complex products preferred direct contact with governmental organisations to private intermediaries, as they had greater trust in governmental organisations, as the statement from **interviewee 3** showed:

We have now had a project that was innovative.... Fortunately, it was purely governmental, a civil servant, but when an external consulting firm is involved, they may also work with competitors... but then something slips out or something else. I find that already difficult in parts, when it comes to highly innovative things, that's a very good point, which also makes my stomach ache sometimes. So with civil servants, if they are civil servants etc., I still put up with it. Hopefully they're about... but if they're companies, external ones, who fool around with others, then the company goes somewhere else again and so, word gets around and if they're projects that go on for four or five years or even longer, then of course it's difficult.

Enterprise 1 confirmed the importance of trust in government support in their specific enterprise case. This enterprise also manufactures technically highly complex products and is very dependent on the successful development of new products. Research on the website revealed that only two machines are offered as standard, but they are very complex and the development takes years. If this enterprise were to leak information during the development phase of a product and other enterprises were to offer replicas, the business basis would be endangered: The comment by interviewee 1 confirmed the importance of purely state action in this case:

Exactly, that would definitely be helpful. Definitely I see that as helpful.

The results of the trust factor thus showed that it is questionable whether the involvement of private intermediary enterprises cannot be reduced so that the direct processing of government funding is easier. From the previous sections on simple processes and cost-benefit ratio, approaches emerged that should enable this. To conclude the topic of trust, it should be noted that trust in organisations was not a topic in the interview with the enterprise from case P. It was therefore not possible to deduce whether trust was an important success factor for the enterprise or not.

4.5.4.6 Flexibility

Table 43: Critical Success Factor: Flexibility

	C-3
Flexibility	x

Source: Case Study.

The importance of flexibility as a critical success factor for the one-house approach of the government support network was mentioned by enterprise 3, resulting from recent experience. According to Interviewee 3, the construct must be designed in such a way that it can react flexibly and quickly to external environmental changes. In particular, the integration of relevant support instruments resulting from short-term changes is of great importance.

Interviewee 3 used two concrete examples to show why the current monetary policy in combination with very favourable loans is contrary to subsidies, which also consist of loans. In this case, he wanted a quick, flexible solution and a related change in the funding instruments in the direction of more grants instead of loans.

The first example referred to the promotion of innovation by SMEs, which have structural disadvantages compared to large enterprises. In his opinion, a loan is currently not an interesting funding instrument for these innovation projects:

This is the topic of innovation funding in the sense of for small enterprises, I don't know, smaller than 300 or smaller than 500 times, for really larger research projects, because we have so many ideas and can't actually finance them and if you say, of course, you'll get proper subsidies. It has to be grants, because loans, because the money is so cheap, that doesn't help. So if you do, you have to do it as a grant, saying that you can finance certain innovation topics, even if they may only become interesting in two, three or five years and you can earn money with them. As a small enterprise, you can't really advance so much money that you can wait five or ten years until it has really taken off in the market. That will certainly help if you... or at most up to 1,000 people, but a company with 1,000 people, I would say, still has enough resources to manage something like that. But as a small company, that's already an obstacle.

The second example also concerned the attractiveness of loans, in this case for the establishment of foreign subsidiaries. Especially in order to avoid trade barriers, further foreign subsidiaries would be of interest to the enterprise. Basically, the enterprise has a

lot of experience in setting up foreign branches, as can be seen from the company reports, but these investments are associated with high costs and the return is only realised after a longer start-up period:

Grants would be a great help for us, as we incur high losses at the beginning of the investment. However, loans are not interesting at the moment, as we can get them cheaply anyway due to the current interest rate policy. But they don't really help.

4.6 Meta-Inference Discussion

This chapter consists of a meta-inference discussion of the empirical results from the case study research presented in the previous chapter. Within this discussion chapter, further findings, if relevant, from the preliminary study are also included. In this meta-inference discussion, the structure of the sub-research questions was used to answer and discuss them in a targeted way: SMEs experiences about awareness, initiation, agreement and use, interpretations of a comprehensive support system as well as critical success factors for a comprehensive system.

Reflecting the existing literature, it became evident from the findings that Oparaocha's (2015) definition of actors within the institutional network theory in relation to government support for internationalisation activities is too broad. Whether this further subdivision and introduction of a pure government network perspective is generally transferable to other International Business topics was not confirmed in the findings, but various findings showed that this deeper subdivision is necessary for the specific topic of support instruments for internationalisation activities such as exports and FDI.

The cases mentioned by Fritsch (2018) in the literature review, in which governments are allowed to actively intervene in market activities, were confirmed, as the analysis of the funding structure and participating organisations in Germany showed. The organisations considered in the study have only offered the appropriate funding instruments and none that go beyond this. The fact that there was also a clear distinction from the point of view of the enterprises between private enterprises (e.g. commercial bank), organisations from the institutional network (e.g. research institutes, private business associations) but also organisations from the government network was confirmed both by the results of the web survey and the information provided by the enterprises in the case study.

This was exemplified for example by the clear separation from the private business association wvib and the chamber of commerce, as the enterprises stated at many points in the interviews. The enterprises were very clearly aware of who had to take on which tasks. According to the enterprises, the tasks should lie with the organisations whose task it is. It was stated in very concrete terms that governmental organisations should not hide behind private/institutional organisations and that the tasks assigned to them should be fulfilled.

The findings of the study thus confirmed the assumption made in the literature that a stringent demarcation is necessary.

4.6.1 SMEs Experiences about Awareness, Initiation, Agreement and Use

This section explored the diverse experiences of the enterprises in the awareness, initiation, agreement and usage phase. The findings revealed that the categorisation into these various phases, as already manifested by Seringhaus and Rosson (1990) in the existing literature, was confirmed by the enterprises. In particular, the case study research did not provide any further evidence that the interaction process needs to be extended, shortened or modified in relation to the phases in general. However, when taking a closer look at the different 4 phases, it became clear from the findings of the different research methods that, with regard to the individual phases, the need for action from the point of view of the enterprises varies in intensity, depending on the phase. This finding confirms findings from the existing literature but also brings many new insights, especially regarding the intensity of support from governmental organisations depending on the specific phase.

With regard to the awareness phase, the aspects mentioned by Kranzusch and Holz (2013) and the European Commission (2014a) in the literature review were confirmed both in the preliminary web survey and in the main case study. The information provided by the enterprises once again showed that awareness of the government funding programmes is basically given, but only a very small proportion of the enterprises are aware of important and central funding organisations. It is not surprising that the compulsory membership organisation is the most widespread in terms of awareness. In more detail, the findings

revealed two significant new aspects that are of importance. Firstly, that awareness of the funding organisations also implies awareness of the funding instruments offered by the respective funding organisation. The findings from the case study in particular were able to prove this. Secondly, that the reasons for the low level of awareness are not only to be found in the low time capacity of SMEs, e.g. managerial factors (cf. Audet and St-Jean (2007)), but that SMEs also rely heavily on third parties to obtain proactive funding information. The case study also showed that the problems of unfamiliarity with government support organisations and funding instruments were independent of the case during the awareness phase and thus also supported the data from the web survey.

Particularly in the subsequent phases, initiation, agreement and use, the research is a clear extension of the previous state of the literature, as there was little concrete knowledge about these three phases with regard to government support. Based on the experiences of the enterprises, the case study analysis did not identify any major weaknesses in contacting the respective funding organisations that made utilisation difficult. However, the sections on the comprehensive support system and the associated critical success factors dealt with aspects that were also related to the initiation phase. In the end, the comprehensive structure derived from the findings also simplified contacting by reducing the number of contact persons. A desired improvement in the process of establishing contact was also indicated by the enterprises in the preliminary web survey; and the usability testing also revealed that the initiation phase, in this case within the digital funding database, should not be underestimated for ease of use by the enterprises. Therefore, the initiation phase could also be assigned a significant role.

With regard to the agreement phase, the findings of the case study research revealed that the application process, especially for innovative research projects that receive financial support, is very demanding and represents a burden for the enterprises. Due to the high demands of the research projects for the application, for which it is also not yet clear whether the research project will be approved, the already limited personnel capacity of the enterprises is further burdened. This is in line with the findings of Paul et al. (2017) in the literature review, which has already identified these insufficient resources as a general barrier for SMEs. Finally, it is very counterproductive if the processes for applying for funding instruments, which aim to support SMEs in internationalisation for precisely such reasons, are then again so complex that the utilisation is once again time-

consuming. This assessment confirmed the findings of Narooz and Child (2017), Narooz and Child (2017), who also cite internal institutional inefficiencies as a barrier to SMEs.

Furthermore, it has been shown in the application process for technical research projects that the enterprises conspicuously often rely on external enterprises to support them in the application phase. This aspect should also be seen in connection with the complex application process and the low personnel capacity of SMEs.

The fact that this opinion on the complex application process is partly case-specific was shown by further experiences of the enterprises that they had made with other funding instruments. The enterprises stated that even with these funding instruments, there is a huge amount of work involved in applying for them and getting them off the ground, but they also added that this was not a problem at all.

In the subsequent use phase, the statements made by Diamantopoulos et al. (1993) in the literature review were confirmed, but also supplemented and deepened, in particular the precise design of the interaction between the SMEs and the state subsidies. Basically, it was confirmed that the funding instruments used have a positive influence on the internationalisation activities of the enterprises and enable diverse business activities. Both the web survey and the case study showed this positive effect for the SMEs involved. On the basis of the findings of both research methods, however, it also became apparent that the use of these instruments could be improved in terms of quality and that the interaction between enterprises and governmental organisations within the use of these instruments could be improved in terms of quality.

In view of the low utilisation, it was of course also stated that there was no need for government support, but the case study made it clear that it could also be assumed that due to the lack of clarity about the specific funding instruments, the benefit was not recognised by the enterprises and therefore they deduced that there was no need. In addition, it also became apparent that utilisation was of course very strongly dependent on positive progress through the previous phases and that the phases must all be seen as building on each other. Even though the bounce rate within the four-phase process was not a direct component in the research, from the general findings it can be assumed that problems in upstream phases ultimately also have a negative effect on the use.

In addition, findings from the case study added that the interaction within the use phase should be designed in such a way that it is easy for the enterprises to use. As an example, the enterprises mentioned that the degree of digitalisation and the associated simplification of documentation requirements was an important point in the processing of funding projects. Overall, the four-phase process was confirmed and supplemented, and it was also shown that increased interaction is required from the enterprises, especially in the awareness, initiation and agreement phase, in order to ensure easy use afterwards. Of course, the use phase is just as important and the design of this phase should also be geared to the needs of the SMEs, but more needs are assigned to the three upstream phases, as otherwise the enterprises would not be able to enter the use phase at all.

4.6.2 Interpretations of a Comprehensive Support System

As the discussion so far has shown, the interaction between enterprises and public authorities in the course of using funding instruments takes place over several phases.

In order to facilitate this interaction and ultimately make it more efficient for enterprises to use through all phases, the findings of the research confirmed the need for a comprehensive usable government support system based on the government network perspective described earlier. As described in chapter 2.4.4 of the literature review (Coviello & Mcauley, 1999; Malhotra et al., 2003; Oparaocha, 2015), a network approach strengthens the various internationalisation activities of enterprises. The findings of this study confirmed this aspect and emphasised the role of a government support system that is geared towards the tasks assigned to the state but is also tailored to the specific needs of SMEs.

In particular, the data confirmed, as already generally anchored in the literature (cf. Landau et al. (2016); Lazzarini (2015)), that from the enterprise's point of view a comprehensive government support system would be important. This support system must be tailored to the needs of SMEs in particular, in addition to state interests, and thus reduce complexity for enterprises. Similarly, the view of Landau et al. (2016) was confirmed that support systems should be designed with a simple structure and thus show enterprises the benefit of the support measures. The majority of the enterprises stated in

the case study that the current support system resembles a patchwork rug and that no coherent system is discernible. Finally, the opinion of Klasen (2020) was confirmed, who stated in his research that the state instruments are rather separated from each other and a coherent structure is not recognisable.

In addition to these general experiences on the part of the enterprises, which were based on the experiences with the previous design of government support, two special aspects emerged from the findings that provided new insights into the concrete integration of various elements and instruments into an easy-to-use support system. On the one hand, the one-house approach with a network coordinator as a catalyst and, on the other hand, the integration of different support instruments as a modular design.

One-House Approach as a Catalyst

Considering the existing literature, Love and Roper (2015) mentioned that either a single agency that is responsible for different areas, or at least close coordination between funding agencies is crucial for SMEs use. Furthermore they added that the funding system should be as simple as possible across all funding areas. The findings of the case study fundamentally confirmed this approach. Similarly, by integrating different cases in this research, the findings also confirmed Curran (2000) statements that ignoring heterogeneous problems of different enterprises had a negative impact on the use by SMEs.

Furthermore, the findings of this research expanded and concretised these knowledge. The enterprises positioned themselves very clearly in a concrete design for such a government support system. For the SMEs surveyed, the interposition of a central network coordinator as a catalyst was the decisive key to success within a one-house approach. Moreover, the enterprises made it clear that, regardless of whether the individual funding organisations are legally independent, a central contact person would be the greatest added value. This central contact is the day-to-day support and especially, as the previous section has shown, in the first phases of the interaction process, the key for the enterprises to be able to use the funding in a simple and straightforward way.

This aspect also fundamentally expands the derived government network perspective (see chapter 2.3.3) within institutional network theory by a further element and thus supplements the knowledge on this in the specific case of SMEs. The enterprises

explained very concretely that it would be crucial for them to have a central contact person with whom they could build up trust over the years and that it would improve the use in this case. This central contact person would support the enterprises in their search for funding programmes, help them establish contacts and also be available to advise them in the agreement phase. Such a central office, which is also supervised by people and is not represented by a digital platform, has not yet been a component in relation to the institutional network theory for SMEs. So far, the institutional network has been seen as a mere collection of homogeneous organisations, but without the concrete addition of an intermediary unit between the organisations and the enterprises as stakeholders. The appropriate integration of a knowledgeable person would also solve the problem mentioned by Narooz and Child (2017) of the lack of knowledge by institutional staff, which can be a barrier from the enterprise's point of view. SMEs with limited capacities of their own, compared to MNEs, particularly benefit from such a supporting body.

Furthermore, the enterprises mentioned an additional function that would be advantageous from their point of view, which the central network coordinator could take over. The enterprises were interested in maintaining contact with actors such as trade associations and private business associations, so that coordination with these actors outside the government support network is also guaranteed. This approach should prevent the enterprises from being supplied with irrelevant information twice.

This integration of an interface to further organisations outside the government network, but still within the broader institutional network, also expanded the functioning and design of the government network perspective. Even if a strict separation, as already fundamentally discussed in the introductory section of this chapter, was sensible and necessary, there was still the aspect that at least a partial consideration of the bordering organisations in relation to the use of funding instruments could not be ruled out. Finally, this was a clear indication of the need for a communication link with organisations from the government network environment and that the government network could not be considered completely isolated.

Modular Approach for the Instruments

With regard to the integration of concrete support instruments, the findings confirmed the statements of Child and Hsieh (2014) und European Economic and Social Committee (2017) that a tailor-made approach is very helpful in order to be able to better support

SMEs and respond to their needs. Both the web survey and the case study showed that a variety of funding instruments are needed to promote internationalisation. In particular, it could be deduced from the case study that the needs were very much case-specific and not every enterprise, despite a very uniform target group, showed the same needs. This expanded the general findings from the web survey, in which extensive needs were also mentioned, but no in-depth, case-specific characteristics could be derived.

Specifically, the required tailor-made approach in the case study was evidenced by the very heterogeneous demand for promotional instruments on the part of SMEs, which confirmed the existing categorisation (Ahmed & Brennan, 2019; Diamantopoulos et al., 1993; Kotabe & Czinkota, 1992; Shamsuddoha, 2004; Shamsuddoha et al., 2009) into financial, market developed-related and technological instruments, but also made it clear that an expansion of the categorisation of promotional instruments would be expedient. In addition to the above-mentioned categories, which included well-known promotional instruments such as export credit insurances, trade fairs or technically oriented research projects, the enterprises listed promotional instruments from which the categories political interventions and experience exchange were derived.

Before discussing the two new categories in more detail, a closer look at the results from the case study on instruments from the already existing categorisations also showed clear signs for a modular approach. In the case of export credit insurance, for example, it became clear that this is only relevant for some of the enterprises, irrespective of the specific design, as most of them do not sell on credit terms but by advance payment. Other enterprises, however, indicated that the export credit insurance function is useful for them. The situation was similar for innovative, technical support projects, which were only relevant for enterprises whose business activities are designed to constantly produce high-tech product developments. Of course, this was not the case for every enterprise, and it was clear that other enterprises do not have a need in this domain.

Even though the need for political interventions was only stated by some of the enterprises, it became clear that this need exists in principle and that this element should definitely be offered by governmental organisations. An allocation to the existing categories is not clearly possible, as political interventions address different topics. This suggests that with regard to government support, a separate category would make sense as an extension.

In addition to political interventions, it emerged strongly from the findings that the SMEs from the case study saw a distinct added value in an indirect support instrument, which should rather be seen as an overarching support instrument and therefore closely linked to all other support instruments. Specifically, the enterprises stated that the exchange of experience with other SMEs would be a great enrichment to learn from them, no matter in which subject area. The task of the state would only have to be to provide a suitable platform to bring the enterprises together and stimulate the exchange of experience. This funding instrument also did not fit into the existing categorisation, which also argued for a separate category.

4.6.3 Critical Success Factors for a Comprehensive System

The findings of the study further filled the gap in the existing research landscape, as not much is known in the literature about critical success factors for a government support system designed with the elements and support instruments mentioned in the previous section. Although it was already noted by Gibb (1993) that a comprehensive government support system is subject to various factors which, among other things, have an influence on the entire support system, an in-depth investigation of these factors within the developed one-house approach has not yet been carried out. Therefore, the findings of this study supplemented this aspect with concrete critical success factors, which were mentioned case-specifically. Therefore, these factors could not be proclaimed as complete, but they indicated very precisely that there are significant factors and that they are basically important from the enterprise's point of view.

Based on these case-specific aspects, the following critical factors were identified: Proactive support, simple processes, customer orientation, cost-benefit ratio, trust in the organisation as well as flexibility.

Proactive Support

Proactive support was mentioned as a critical factor in favour of improved use by enterprises. As mentioned in the literature review in chapter 2.4.3, SMEs face various barriers, such as information and contact barriers, but also managerial capacity barriers due to the specificities of SMEs (OECD, 2009). The need for proactive support stated by the enterprises can be attributed to these two aspects and confirmed them. In addition, the

findings from the case study expanded the possibilities to solve these barriers. The proactive support was not seen as a direct instrument but as an influencing factor on the way information on various topics was conveyed. The enterprises were interested in proactive support because it enables them to be regularly informed about new potential funding programmes, but also about changes in current programmes that make it possible for SMEs to use them in the first place. As an example, one enterprise stated that it was not currently informed about the latest form of export credit insurance, even though it had been optimised for the needs of SMEs and was already being offered.

Simple Processes

Simple processes were also mentioned by the majority of enterprises, highlighting the specificity of this factor. The simple processes were found in relation to the interaction in the use of different instruments. Basically, the findings thus confirmed the complexity of funding mentioned in the literature review, which should be as low as possible (Audet & St-Jean, 2007). Likewise, known factors (cf. OECD (2003) were confirmed, but his data previously referred to entrepreneurial and micro enterprises: easy access to the required documents and forms as well as easily understandable documents and forms.

In this research, these simple processes were identified in three areas that were fundamentally consistent with the above mentioned factors: bureaucracy, consistency and digitisation.

The high effort due to bureaucracy was mentioned in particular in the application process for technical research projects. The enterprises were confronted with an increased effort in the application process because, on the one hand, the documents and forms are very complicated and, on the other hand, the entire application process was too long and too complicated. Furthermore, the importance of simple applications was also highlighted by the fact that in some funding programmes, partner enterprises abroad also have to fill out parts of the applications and these are also hindered by complex application forms.

Consistency was also mentioned in relation to the application process. For the enterprises, in addition to simple documents, the consistency of the forms and processes that have to be gone through is of great importance. Due to the limited time capacity of SMEs, it is not very helpful if they have to constantly familiarise themselves with new processes.

Increased digitalisation of processes was also mentioned as a simplification during the use of the funding projects. Due to numerous interim reports and ongoing documentation requirements, digitisation combined with a high level of automation is a major factor influencing effective use.

Customer Orientation

Customer orientation partly directly followed the factor of simple processes and complemented the factors mentioned by OECD (2003). Fundamentally, not only the simple design of documents and forms had a high value, but also the general language of the contact persons. Formal language, which was not always clearly understood by the enterprises, made it much more difficult to use and communicate across all stages.

In addition, especially in the utilisation phase of the funding instruments, the customer orientation must be given to the extent that the utilisation also has a benefit for the enterprises. Specifically, enterprises mentioned that the design of the service offered was not sufficient and did not correspond to the required scope from the customer's point of view. The development of the funding instruments should be as close as possible to the customer's needs.

Furthermore, from the enterprise's point of view, the factor of a lack of customer orientation was also communicated in relation to problem solving. Even if, for example, a funding instrument did not bring the desired result from the enterprise's point of view and the enterprise was accordingly dissatisfied, the communication on the part of the government body should still be customer-oriented and ultimately give the enterprise a positive feeling. This should also be the case even if it does not change the use. This factor also contributes to increased trust, a factor that will be explicitly discussed later.

Cost-Benefit Ratio

The literature review in chapter 2.4.3 has shown that the offer of government FTIP instruments is basically not profit-oriented and that parts of the FTIP instruments can be used free of charge or with only very low fees (Audet & St-Jean, 2007; Oparaocha, 2015; Ramsden & Bennett, 2005).

This factor was confirmed in the findings, but also deepened with further knowledge on the one hand in terms of product costs but also in terms of additional service charges. Some of the instruments offered, in this case export credit insurance, have in the past

proved to be too expensive from the enterprise's point of view. In particular, the average turnover amounts for SMEs are too low to make excessive use of the instrument. The enterprises stated that they would rather bear the risk themselves than pay fees for the insurance. Finally, the cost-benefit ratio was not interesting for this specific instrument and had a negative impact on the use.

In addition to the pure product costs, the additional service charges that occurred in the research projects also played a role in the SMEs use of the instruments. The enterprises commented that in cases where an external intermediary had to be involved to handle the projects, the margin was reduced. This resulted in the fact that some enterprises had to implement the projects on their own. However, due to the complexity already mentioned, this again tied up a lot of capacity and thus also had a negative impact on the cost-benefit calculation. If the cost-benefit ratio were unattractive in the final analysis, enterprises would refrain from using the support programmes at all.

Trust in the Organisation

Another factor that complemented the previous factors in the literature review was trust in the organisations. In addition to the already discussed trust in the personal contact person, trust in the governmental organisations was a particularly important aspect. In particular, this was important to the enterprises in relation to research projects where the project partner has access to unprotected technological ideas. Some of the enterprises stated that they had a higher level of trust in governmental organisations than in private organisations. Therefore, the processes should be set up in such a way that the involvement of private organisations is avoided in order to use funding instruments.

Flexibility

As outlined in the literature review in chapter 2.4.3, it is undisputed that FTIP instruments are a suitable means to solve the barriers due to market and systematic failures (Al Barwani et al., 2014; European Commission, 2014b; Ipinnaiye et al., 2017; Love & Roper, 2015; Mole et al., 2017; Pauceanu, 2016). Furthermore, chapter 2.2.2.2 has shown that the barriers can be very diverse.

The enterprises stated that the funding system with its FTIP instruments must be designed in such a way that it is flexible enough to respond to changing barriers due to external changes. Specifically, this aspect was mentioned in relation to the typical SME issue “lack

of capital” (cf. Paul et al. (2017)). Due to the actual monetary policy, the need of enterprises has changed from cheap loans to subsidies in the past, as cheap loans are no longer effective.

4.7 Summary

This chapter included the findings of the three different research methods, the web survey, the usability analysis and the case study. The processing of the findings was analogous to the defined research design, whereby the procedure was predetermined. Maintaining the chronological order of the different research methods in the findings in particular clarified the possibility of showing in detail which implications the findings from the preliminary study, which consisted of the web survey and the usability testing, had on the case study research.

In addition to a pure presentation of the results by research method, the chapter concluded with a meta-inference discussion that included all findings from all three research methods. In both the main study and the meta-inference discussion, the structure of the sub-research questions was used to answer and discuss them in a targeted way: SMEs experiences about awareness, initiation, agreement and use, interpretations of a comprehensive support system as well as critical success factors for a comprehensive system.

Overall, the findings showed very clearly what the current experience of the enterprises with the previous state subsidies was and that a great deficit on the part of the enterprises was identified, especially in the awareness phase.

Building on these experiences of the various enterprises, this research identified a centrally organised government support system as a catalyst, with a central network coordinator who, in addition to liaising with the various government agencies, also liaises, albeit on a more informational basis, with other external parties. It was also shown how strongly such a changed support system would influence positive utilisation.

It also became clear that from the enterprise's point of view there are no standard needs for funding, but a modular system that includes different instruments would be of great

interest. Each enterprise was different due to the different enterprise characteristics and also indicated these needs.

The results also offered further insights into critical success factors that are important for the design of the funding system including the instruments and have an influence on all phases of interaction between the enterprises and the funding network. Overall, it became very clear that concentrated support by a personal contact person would be a key success factor, especially in the awareness, initiation phase and agreement phase.

5 Conclusion, Contribution and Implications

5.1 Introduction

This concluding chapter contains a summary of the most important aspects and findings of the study conducted. The fundamental premise of the study was the literature review, on the basis of which the study objective was derived. The relevant literature showed that there are still unclear areas of research in the context of funding in the internationalisation of SMEs. Specifically, this study was concerned with examining ‘how SMEs can benefit from government promotion instruments in their internationalisation’, based on a government network perspective within the institutional network theory. In the course of deriving the study objective, in-depth sub-research questions were identified that form a structural framework for the entire study. Generally, the research work was shaped and guided by the chosen methodological approach, an embedded-multiphase mixed method research design. In addition to a preliminary quantitative web survey and a qualitative usability analysis, the emphasis was on a case study investigation, with the aim of using in-depth knowledge of the enterprises to derive a suitable framework for answering this research objective.

The concluding chapter continues the structure of the sub-research questions, which was also applied consistently in the previous chapter *Findings*. Within this structure, the conclusion begins with a summary of the most important results from the findings chapter and the meta-inference discussion. As these sub-research questions are directly linked to the research gaps and the main research questions the findings about the sub-research questions also ensure to answer the main research question.

Following to the summary of the most important findings, the framework developed in conclusion is presented and related to the theoretical contribution of this research work. This section is followed by implications arising from the work and findings that should be addressed in future research to support and extend the research findings in the area of government network support for SMEs in internationalisation activities.

5.2 Research Conclusion

This research conclusion takes up the subdivision of the main research question into the individual sub-research questions, which has significantly influenced the structure of the presentation of the results throughout the research. Furthermore, this structure of the summary helps to clarify in concrete terms which findings from the research are to be assigned to which sub-research question:

- **Awareness, Initiation, Agreement and Use Phase (Sub-Research Question 1)**
- **Modular and Comprehensive Support Network (Sub-Research Question 2)**
- **Critical Success Factors (Sub-Research Question 3)**

In addition to the textual answers to each sub-research question, a graphical illustration complements the findings. These graphical elements are brought together in the following chapter *Theoretical Contribution*. This overall picture provides an overview to answer the main research question as well as the various research gaps identified in advance.

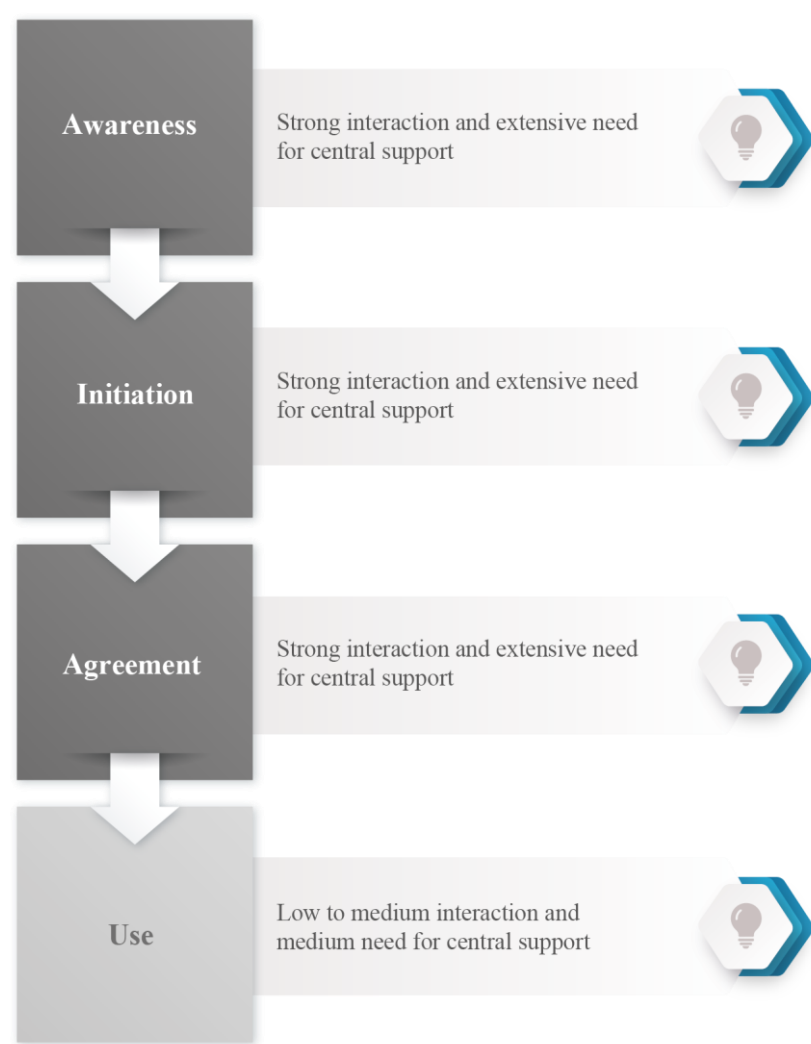
5.2.1 Awareness, Initiation, Agreement and Use Phase

For sub-research question 1, the study shows various experiences of German SMEs in the interaction process for the use of government FTIP instruments. Based on the experiences of the SMEs in the various phases within the interaction process, it was possible to work out the importance of the individual phases and to derive a need for action in which phases increased support from the government organisations would be helpful.

In the use of government support instruments, intended to reduce and prevent barriers and risks in international activities, previous research has shown that four basic phases are of central importance for the interaction between the SMEs and the government organisations. In addition to the actual utilisation phase, there are three further phases upstream that also have a significant influence on utilisation, since the sequence of these phases is sequential and these phases build on each other. This categorisation was undisputed, but the question arose as to how far and to what extent the various phases in which interaction between the enterprises and the government agencies takes place are of particular importance and whether there were differences from the point of view of the enterprises.

First of all the analysis in the various research methods confirmed fundamentally this four-phase process; no further processes were found that implied the integration of a further phase. In general, the findings from the web survey showed that from the enterprise's point of view there was a need for optimisation across all phases. More in-depth knowledge could be derived from the case study on the question of the scope of interactions between the enterprises and the governmental organisations. Figure 28 shows an overview of the phases and the corresponding needs for a strengthened support on the enterprises' side.

Figure 28: Interaction Process including Need for Support



Source: Mixed Method Study.

As figure 28 indicates, the need for support differed depending on the phase, as became clear from the findings of the case study. Especially in the first three phases, prior to the

actual utilisation phase, the enterprises indicated a particularly strong need for support, which resulted from the previous experience made by the enterprises. This strong need for support was closely linked to the limited time capacities, which are fundamentally an issue of SMEs.

Awareness Phase:

It became apparent that not only the awareness of funding organisations was limited, but also the knowledge of concrete funding programmes. The enterprises clearly stated that extended government support would be helpful at this stage in order to obtain up-to-date information on funding programmes. Increased interaction with government agencies would also avoid SMEs having to rely on third party providers to obtain appropriate information about government funding programmes.

Initiation Phase:

Also in the initiation phase, a strong need for interaction between the enterprises and the state funding organisations was derived across all research methods. Due to the large variety of funding organisations, it has been shown that it is difficult for SMEs to identify the right contacts that facilitate access to funding programmes. A pronounced interaction between the SME and the enterprises simplifies the communication in the establishment of contact to a certain extent.

Agreement Phase:

Following this, there was also an increased need for interaction between the enterprises and the organisations in the agreement phase, as the application process for various funding programmes in particular requires more effort on the part of the enterprises. Due to the partly very complex application process, the need for support from the government support organisations is particularly high.

Use Phase:

In the actual use phase, there is of course also a need for interaction and support, but the findings showed that in this phase, compared to the previous phases, support is less essential. This was also due to the fact that interactions with the funding organisations had already taken place at this point and the specific contact person was already known. Two aspects were nevertheless important with regard to interaction from the enterprise's point of view: firstly, that the degree of digitisation during use should be as high as

possible in order to simplify interaction (e.g. duties of documentation). Secondly and in case of ambiguities, the enterprises should be offered an appropriate and solution-oriented interaction (e.g. whether a support service applies in the event of a claim or not).

In summary, based on these results, the following can be stated for research question 1. In the interaction between the SMEs and the governmental organisations, which is anchored in the institutional framework, a phase-related support initiated by the governmental organisations and implemented in a service-oriented manner is considered sufficient. This type of support would enable increased and easier use of the FTIP instruments by SMEs. Due to the SME-specific characteristics, such as low personnel capacities or a lack of technical knowledge of FTIP contract management, there is a particular need for increased support within the first three phases, awareness, initiation and agreement. It has become obvious that a large number of SMEs already have a deficit in the awareness of the funding instruments offered and thus the first hurdle within the interaction process cannot even be crossed without further government support.

A key contribution arising here is that the findings confirmed the process of the interaction process between enterprises and government organisations that is based in the institutional based view. Furthermore the research findings added new insights to the institutional based view, by providing in depth knowledge about the specific interaction between the enterprises and the government organisations across the individual phases. It was deduced that specific forms of interaction can occur in each of the four phases. These specific forms of interaction are closely linked to the support needed by the SMEs that can range from very weak to strong support need. Any support need is accompanied by interactions between the enterprises and the government organisations. It is precisely this explicit need for interaction by enterprises that adds to the existing knowledge of the interaction process within the institutional based view.

Proposition 1: Increased support by governmental organisations in the whole interaction process between institutions and firms, particularly in the first three phases, leads to an easier and increased use of FTIP instruments by SMEs.

5.2.2 Modular and Comprehensive Support Network

Government support for the internationalisation of SMEs can be offered in many ways and forms. Sub-question 2 focused on two aspects. On the one hand, which central elements and instruments exist from the perspective of German SMEs. And on the other hand, how these elements and instruments can be integrated into an innovatively designed, comprehensive and modular state support network.

As discussed in the literature review in chapter two, previous research has focused on government support programmes, but mostly in a single-programme perspective. Building on these findings, this study has derived a modular and comprehensive support network for SME internationalisation from the various experiences of enterprises that respects the rationale for government economic intervention. In order to be applicable to both export and FDI activities of enterprises, it has been shown that the government support network should not only be comprehensively structured with the inclusion of crucial elements but also modular with different support instruments.

From the findings, it has been shown that with a comprehensive government support network consisting of different support organisations, the enterprises see a great added value, as shown in figure 29.

It was also evident that the offer of different funding programmes by various funding organisations was not viewed negatively by the enterprises, as long as they are networked with each other and a central body is interposed as a catalyst. A related specialisation by different organisations, which also extends within the funding organisations, was even viewed fundamentally positively by the enterprises.

In summary, a one-house approach was derived, in which a large part of the interaction between the enterprises and the funding organisations described in the previous section does not take place directly, but a central contact person is interposed as a catalyst. Especially for SMEs with limited capacities, it is of crucial importance to have a known person as a contact person through whom at least the first phases of the interaction process take place, thus reducing complexity. This central contact person, who has in-depth knowledge and with whom personal trust can be built, has even been described as the key success factor of a government support network. In addition to pure mediation within the government support network, another characteristic of this central body was derived from

the findings. It should also ensure contact with other actors from the broader institutional network, so that a general exchange of information can also take place with these actors.

Figure 29: One-House Approach



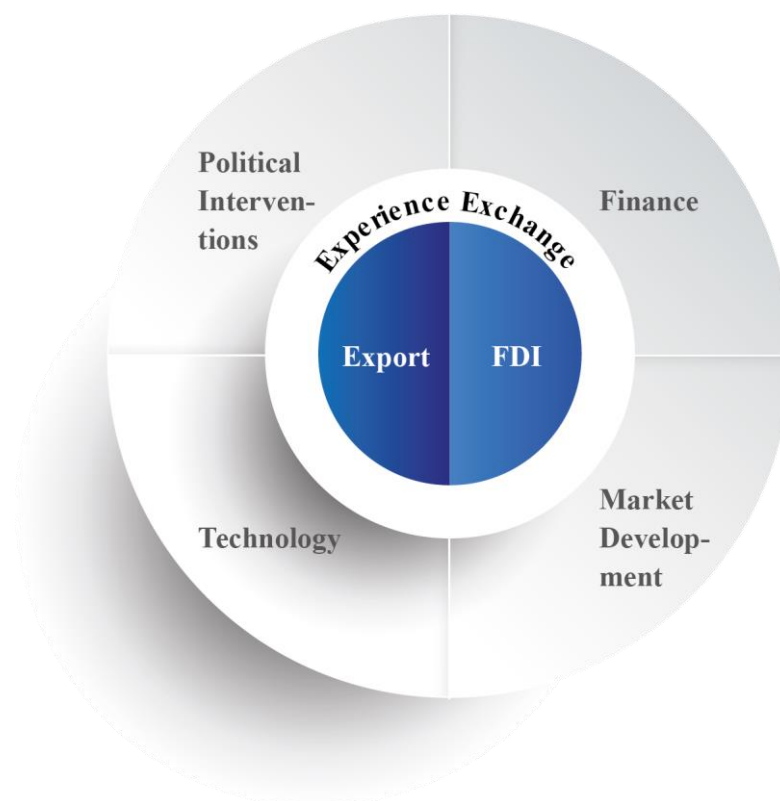
Source: Mixed Method Study.

A summary of the most important categories of supporting instruments that are important in internationalisation from the enterprises' point of view is shown in figure 30.

These five categories, two of which were derived from this research, indicate the different needs of SMEs. It has been shown that these support instruments are needed by the enterprises in a very case-specific way, depending on the concrete enterprise activities and the level of technologisation. This very specific need highlighted the need for a modular structure that gives the enterprises the highest possible flexibility in use.

In addition to the categories already anchored in the literature, finance, market development and technology, the further categories political interventions (e.g. trade agreements and uniform standardisation of products) and experience exchange were identified. Of particular importance was the aspect of experience exchange, which is more of a cross-funding instrument, as the exchange of experience is applicable across all categories. For the enterprises, it was an important instrument that they already use very intensively by private sector associations for other national activities and place a very strong focus on it.

Figure 30: Modular Approach: Instruments



Source: Mixed Method Study.

For research question 2, these new findings provided answers to the question which FTIP instruments are relevant for SMEs and in which structure these FTIP instruments can be offered by government organisations. In particular, it could be deduced from the case studies that the design of a government support network, away from individually operating organisations towards a coherent government support network with a central contact point, is seen by the SMEs as a central success factor. These findings are closely

linked to institutional network theory and extend it with new views on the specific design of direct/indirect links between SMEs and governmental organisations.

These findings made a contribution to the institutional network theory by offering another way to understand how the structure of a specific government support network within an institutional network could be designed. On the one hand, the findings confirmed the narrower government network perspective and further provided information on the structure of such a government network. Of greatest importance is the new insight within the institutional network theory that a central coordinating body should be located within the government support network. Until now, institutional network theory has not focused on a centrally coordinated association of different government organisations that also offer different support instruments. Rather, a loose network was generally assumed.

In addition, the research findings has shown that additional resources, in the form of various support instruments, would be a great help to compensate for the structural disadvantages of SMUs in particular. These findings confirmed the fundamental aspects of RBV in connection with government support in the form of tangible resources.

Proposition 2: The bundling of government FTIP instruments in a modular and comprehensive government support network with a central contact person simplifies the use for SMEs and thus ensures a higher utilisation of FTIP instruments by SMEs for their internationalisation activities.

5.2.3 Critical Success Factors

A comprehensive and modular government support network as just described is often accompanied by various influencing factors that have a not insignificant impact on the functioning of the network as well as the use by the SMEs. For answering sub-research question 3, the experiences of the German SMEs also show to what extent and for what reasons various factors have an impact on the use by SMEs and also illustrate how important these are.

The findings indicated that, in addition to the elements and instruments outlined above, there were various critical success factors that impacted on the entire comprehensive and modular government support network. An overview of these factors is shown in figure 31.

Figure 31: Critical Success Factors



Source: Mixed Method Study.

These six critical success factors had a significant influence on different phases of the interaction, on the concrete form of the funding instruments as well as on the design of the entire funding network itself. Consideration and inclusion of these critical factors is of great importance for the SMEs, so that the use ultimately also has a great added value. Although some of the factors were very case-specific, they nevertheless provided a good insight into the factors that were classified as relevant from the enterprise's point of view.

Proactive support is an elementary factor for SMEs, as proactive advice and information from a central office also compensates the SMEs' limited time capacity.

Simple processes apply to all phases of interaction, so that the bureaucratic burden is reduced for the enterprises. In addition, the consistency and digitisation of processes and procedures of the funding programmes also make a significant contribution to ease of use.

A further critical success with an influence on the government support network is the pronounced customer orientation in counselling but also in further interactions, e.g. for problem solving.

The impact of a balanced cost-benefit ratio cannot be neglected in an effective comprehensive government support network. From the point of view of enterprises, it is necessary that, on the one hand, the user fees of the product itself are appropriate and, on the other hand, that ancillary costs, such as further private agency fees, are minimised through a better design of the support programmes.

From the enterprise's point of view, trust in the organisation was another decisive factor for a coherent governmental support network. Especially in high-tech research projects, a high level of trust is necessary because the enterprises have to disclose company secrets. A government agency with a high reputation has an important role to play here.

The last influencing factor identified in this research is the flexibility of the support network. Due to the rapidly changing environment, a crucial factor is that the support system, especially the programmes offered, are adapted as needed.

From the identified critical success factors, various aspects can be derived that play an important role in the design of a modular and comprehensive support network from the perspective of a SME. In addition to aspects that relate to the concrete design of the instruments, aspects were also identified that are aimed at the way in which the enterprises and the government organisations interact. These findings for sub-research question 3 are closely related to the theories discussed in the literature review, particularly the institutional based view as well as the institutional network theory.

These main findings from this study about important critical success factors made a generally contribution to the institutional networks theory and added new insights about the aspect of critical success factors that have an impact on the use by enterprises. Within the institutional network theory which is the most important theory in relation to the overarching research question, aspects such as critical success factors have not been included so far. Thus, the findings indicated that the inclusion of various critical success factors in a holistic government support network needs to be considered and is an integral new aspect within institutional network theory.

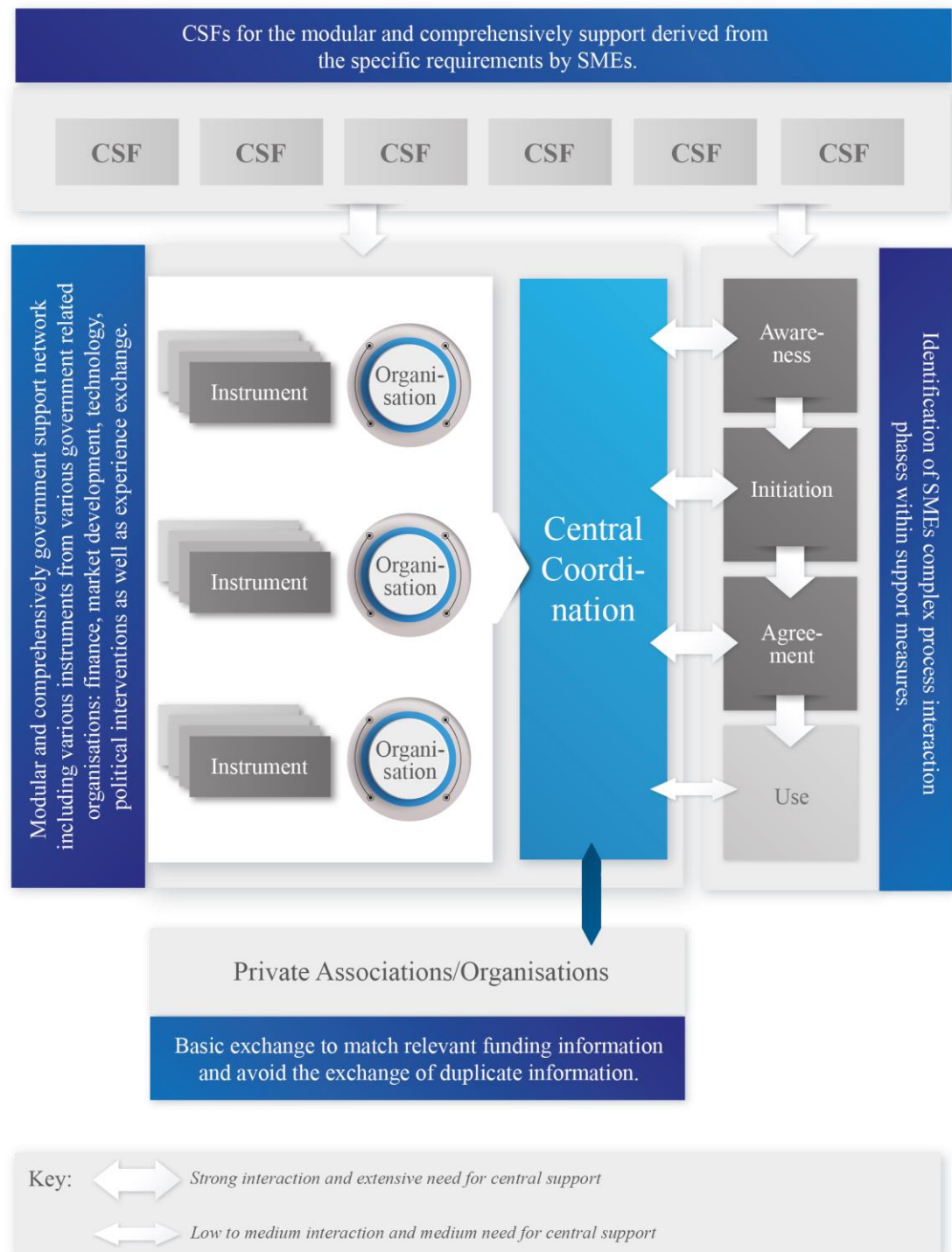
It should also be emphasised at this point that the detailed consideration of individual critical success factors and not a general consideration of the critical success factors are also anchored in other theories. For example, the critical success factor trust in the organisation is closely linked to the principal/agent theory and the findings from the study confirm this theory. Increased trust in the organisation will reduce uncertainty among the principal, the enterprises, and thus reduce potential information asymmetry.

Proposition 3: The consideration of various critical success factors within a government support network increases the quality of the offered FTIP instruments and ensures that the FTIP instruments are used more frequently by SMEs.

5.3 Theoretical Contribution

Derived from the empirical findings, the theoretical framework of this research has emerged.

Figure 32: Theoretical Framework of a Government Support Network



Source: Mixed Method Study.

Figure 32 illustrates schematically the theoretical framework for answering the research question:

How can German SMEs use a variety of economic promotion programmes provided by government organisations to foster internationalisation?

Already in the literature review, the lack of research in the field of a separate government network perspective within the broader institutional network theory has been pointed out. In contrast to studies examining government support for SME internationalisation within the institutional network theory, this study has provided in-depth knowledge about government network support for SME internationalisation within the distinct government network perspective. Strictly isolated research within this pure government network perspective ensured that the rationale for government intervention in market activity was respected and that only organisations exhibiting these characteristics were included in the research.

The study, which had the main aspect of gaining in-depth insights from the SMEs' perspective by focusing on the qualitative research part within the mixed method research, made further theoretical contributions within the existing literature for SME internationalisation:

First, in line with calls in the existing international business literature, this study has provided new needed knowledge especially from the perspective of enterprises in terms of government support to promote various internationalisation activities. The findings clearly implied that the specific needs of enterprises must necessarily be included in the design of a government support network and thus complemented existing studies that dealt with government support from a government perspective.

Second, the study has fundamentally confirmed the existing four phases of the interaction process between enterprises and support organisations for international activities of SMEs, which are anchored in the institutional based view literature. At the same time, the study has added further knowledge to these general viewpoints regarding these four interaction phases. From the results, it became clear that from the enterprise's point of view, there is a particularly high need for interaction in the first three phases, awareness, initiation and agreement, and a somewhat weaker need in the use phase. This need for

interaction and support was partly linked to the limiting characteristics of SMEs identified in the literature; however, the findings also revealed increased case-specific knowledge across all four interaction phases of the use of government support.

Third, although there are several studies dealing with governmental support for SME internationalisation, it was further pointed out in the research gap chapter that the role of a comprehensive and modular government support system has not been explicitly investigated in the institutional network theory. This elaborated support system that includes different governmental organisations and specific elements (e.g. central coordination) extends the institutional network theory. Overall, the results of this study indicated that networked government support has a positive impact on the internationalisation process of international active SMEs.

The derived theoretical framework in figure 32 illustrates how a complex comprehensive government support system could be designed, which comprehensively takes up and combines the various theoretical aspects such as intensity of interaction, elements, instruments as well as critical success factors. The essential approach is the new aspect of a central body within the government network, which acts as an interface and catalyst between organisations and international active SMEs. In particular, this central body within a government network perspective is a new element that complements the previous theoretical knowledge within a network approach, at least for the support of international active SMEs. This is an extension because in the existing network approach, the organisations were admittedly considered homogeneous within a network, but within this network grouping, there was no central agency anchored who acts as an intermediary.

5.4 Implications for Managerial and Policy Practice

As a side effect of this theoretically driven research, further insights emerged that were also relevant for managerial and political practice.

For the enterprises, the implication of the research is that, despite the typical limitations of SMEs, which were particularly noticeable in the time component, increased involvement with government support would be an added value. In particular, it has been shown that once a funding has been used, its subsequent use is simplified. In addition, enterprises should use the channels available to them (e.g. trade associations) to explain

to the relevant politicians that a change in the current support system is imperative in order for SMEs to benefit more.

As already shown in the introduction to this research, the successful operation of SMEs has a significant influence on the development of the national economy. In order to continue this positive development and to support internationally active SMEs in the best possible way, governments should approach the enterprises and develop a coherent government support network that is geared towards the specific needs of SMEs. Furthermore, the findings from the case study also showed that a direct involvement of SMEs in an agile process would be crucial in order to ensure that their views and ideas have an appropriate impact. Due to the SMEs' years of experience in internationalisation activities, the opinions of enterprises are a great added value that should definitely be exploited by policymakers.

5.5 Implications for Further Research

The research results showed a clear direction on how enterprises can be better supported within a government support network and ultimately benefit from it, however, further aspects emerged from the research conducted that are dependent on it and should be further explored.

The isolated consideration of a distinct government network perspective derived from institutional network theory chosen for this research should definitely be expanded and examined more deeply in the context of further IB research. The present study has shown that a sharper delimitation and a strictly isolated consideration of the organisations within the government network perspective is beneficial and partly also necessary, since these state-coordinated organisations are clearly different from the other actors within the institutional network.

Another important aspect is the perspective from which the research is conducted and addressed. As mentioned above, the situation prior to this study was that research conducted explicitly from a business perspective was limited in the context of government support for the internationalisation of enterprises. Although this study provided further knowledge from a business perspective, future research should also pay particular attention to this research perspective. In particular, based on the case study research from

which the critical success factors were developed, it is necessary that these factors are further investigated in follow-up research from an enterprise perspective, too. Either new factors can be derived from further qualitative research that extend the existing factors of this study. On the other hand, qualitative research could be used to generalise these derived factors or to test their applicability to other industries or even to further countries.

However, this enterprise-based research perspective does not preclude further research from critically questioning the theoretical framework developed from a governmental perspective. The comprehensive and modular approach from the perspective of governmental organisations needs to be critically questioned in order to explore to what extent further aspects may need to be included in the theoretical framework. Because of the many different governmental actors, it is important to involve these organisations in the further research in order to obtain a comprehensive analysis of the government network perspective.

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Appendix

Appendix 1: Self-Completion Questionnaire

1. Was your company involved in international activities between 2013 and 2018?

- ☐ Yes
- ☐ No

2. If yes, please tick the relevant activities

- ☐ Export
- ☐ Foreign Direct Investments

If Q2 “Export”

3. Which are your motives for exporting activities? (Ticking multiple boxes allowed)

- ☐ Opening up new sales channels
- ☐ Customer request
- ☐ Risk diversification by distribution of sales markets
- ☐ Integration in international (production) networks
- ☐ Stimuli for innovations
- ☐ Increased capacity utilisation
- ☐ Reputational gains
- ☐ Other:

If Q2 “Export”

4. Which factors impede your company to start exporting activities or to enter further markets by exporting activities? (Ticking multiple boxes allowed)

- ☐ Insufficient knowledge of appropriate marketing and sales strategies in the target country
- ☐ Insufficient management capacities
- ☐ Lack of qualified employees in Germany

- Insufficient financing resources
- Difficulties in adapting products and services
- Management/control is too complex
- Difficulties in finding new business partners abroad
- Insufficient knowledge of culture and language in the target country
- Too high total costs
- Political risks
- Legal risks
- Economic risks (e.g. Lack of information about foreign buyers leads to default of payment)
- Other:

If Q2 “Export”

5. Have you ever stopped an exporting activity due to the following reasons?

- Yes
- No

If Q5 “Yes”

6. If yes, due to which reasons? (Ticking multiple boxes allowed)

- Inaccurate appraisal of market opportunities
- Amount of bureaucracy /administrative barriers
- Insufficient legal certainty
- Corruption and unfair competitive practices
- Political risks in the target country
- Failure to meet one's own quality requirements
- Insufficient qualification of own employees
- Unfavourable price development in the target country
- Currency risks
- Risk of payment default
- Low cash flow
- Other:

If Q2 “Export”

7. Which export supporting instruments from private institutions are you aware of? (Ticking multiple boxes allowed)

- ☐ Private Consulting Companies / Private Foreign Trade Advisor
- ☐ Commercial Bank
- ☐ Commercial Export Credit Insurer (e.g. Euler Hermes, Atradius, Coface, Marsh)
- ☐ No support offer known

If Q07 “1./2. or 3. Yes”

8. Have you ever used export support instruments from private institutions?

- ☐ Yes
- ☐ No

If Q08 “Yes”

9. With which private institutions have you already made use of external support? (Ticking multiple boxes allowed)

- ☐ Private Consulting Companies / Private Foreign Trade Advisor
- ☐ Commercial Bank
- ☐ Commercial Export Credit Insurer (e.g. Euler Hermes, Atradius, Coface, Marsh)

If Q08 “No”

10. For what reasons have you not yet taken advantage of external support from private institutions? (Ticking multiple boxes allowed)

- ☐ No need
- ☐ No offers known
- ☐ Administrative processes too complex
- ☐ No suitable offers
- ☐ Other:

If Q08 “Yes”

11. In general, how do you evaluate the private support services for export activities used by your company?

Awareness:

Finding the right support was 1 = very easy / 5 = very difficult

Initiation phase:

Making a contact was 1 = very easy / 5 = very difficult

Agreement phase:

The administrative processes were 1 = very easy / 5 = very difficult

Product:

The quality of the support provided was 1 = very good / 5 = very bad

Digitisation:

The digitisation of the administrative processes was 1 = very high / 5 = very low

If Q2 Export

12. Which export supporting instruments from semi-public and public institutions are you aware of? (Ticking multiple boxes allowed)

- ☐ Chamber of Commerce (IHK, HWK)
- ☐ Chamber of Commerce Abroad (AHK)
- ☐ Economic Divisions of the German embassies
- ☐ Germany Trade & Invest (GTAI)
- ☐ Public (Development) Bank (e.g. KfW, AKA Bank, Federal State Bank)
- ☐ Public Export Credit Agency (e.g. Euler Hermes: Hermesdeckung)
- ☐ Multilateral Development Bank (e.g. Asian Development Bank, EBRD)
- ☐ No support offer known

If Q12 “1./2./3./4./5./6. or 7. Yes”

13. Have you ever used export support instruments from semi-public or public institutions?

- ☐ Yes
- ☐ No

If Q13 “Yes”

14. With which semi-public or public institutions have you already made use of external support? (Ticking multiple boxes allowed)

- Chamber of Commerce (IHK, HWK)
- Chamber of Commerce Abroad (AHK)
- Economic Divisions of the German Embassies
- Germany Trade & Invest (GTAI)
- Public (Development) Bank (e.g. KfW, AKA Bank, Federal State Bank)
- Public Export Credit Agency (e.g. Euler Hermes: Hermesdeckung)
- Multilateral Development Bank (e.g. Asian Development Bank, EBRD)

If Q13 “Yes”

15. In general, how do you evaluate the semi-public and public support services for export activities used by your company?

Awareness:

Finding the right support was 1 = very easy / 5 = very difficult

Initiation phase:

Making a contact was 1 = very easy / 5 = very difficult

Agreement phase:

The administrative processes were 1 = very easy / 5 = very difficult

Product:

The quality of the support provided was 1 = very good / 5 = very bad

Digitisation:

The digitisation of the administrative processes was 1 = very high / 5 = very low

If Q13 “Yes”

16. If you have already used external support from semi-public and/or public institutions, who has carried out the administrative processes for your company? (Ticking multiple boxes allowed)

- Private Consulting Companies / Private Foreign Trade Advisor / Commercial Bank

- In-house, supported by Private Consulting Companies / Private Foreign Trade Advisor / Commercial Bank
- In-house

If Q13 “No”

17. For what reasons have you not yet taken advantage of external support from semi-public and public institutions? (Ticking multiple boxes allowed)

- No need
- No offers known
- Administrative processes too complex
- No suitable offers
- Other:

If Q2 Export

18. For which functional areas of your exporting activities is or would external support be particularly helpful? (Ticking multiple boxes allowed)

- Market and competitive analyses
- Law/Tariffs/Dealing with government agencies
- Marketing/Sales
- Finding new partners abroad
- Financing
- Hedging/Insurance
- Staff recruitment
- Training
- Communication with experienced companies
- Fairs/Exhibitions
- Corruption avoidance
- Support in the run-up to political decisions
- No support required

If Q2 Foreign Direct Investment

19. Which are your motives for production facilities abroad? (Ticking multiple boxes allowed)

- ☐ Opening up new sales channels
- ☐ Access to raw material resources
- ☐ Access to other production factors as capital, employees, knowledge etc.
- ☐ Benefits of cost advantages abroad
- ☐ Follow important customers abroad
- ☐ Customer proximity
- ☐ Customer request
- ☐ Risk diversification by distribution of sales markets
- ☐ Avoiding tariff and non-tariff trade barriers
- ☐ Integration in international (production) networks
- ☐ Stimuli for innovations
- ☐ Increased capacity utilisation
- ☐ Reputational gains
- ☐ Other:

If Q2 Foreign Direct Investment

20. Which business-related factors impede your company to use foreign production facilities in a market for the first time or to extend foreign production facilities to new markets? (Ticking multiple boxes allowed)

- ☐ Insufficient knowledge of appropriate marketing and sales strategies in the target country
- ☐ Insufficient management capacities
- ☐ Lack of qualified employees in Germany
- ☐ Insufficient financing resources
- ☐ Difficulties in adapting products and services
- ☐ Management/control is too complex
- ☐ Difficulties in finding new business partners abroad
- ☐ Insufficient knowledge of culture and language in the target country
- ☐ Too high total costs
- ☐ Political risks

- Legal risks
- Lack of information regarding foreign buyers
- Other:

If Q2 Foreign Direct Investment

21. Have you ever closed a foreign production facility?

- Yes
- No

If Q21 “Yes”

22. If yes, for what reasons have you ever closed a foreign production facility?

(Ticking multiple boxes allowed)

- Inaccurate appraisal of market opportunities
- Amount of bureaucracy /administrative barriers
- Insufficient legal certainty
- Corruption and unfair competitive practices
- Political risks in the target country
- Failure to meet one's own quality requirements
- Insufficient qualification of own employees
- Unfavourable price and wage development in the target country
- Currency risks
- Risk of payment default
- Reliability of energy/raw material supply
- Reliability of other suppliers
- Others:

If Q2 Foreign Direct Investment

23. Which FDI supporting instruments from private institutions are you aware of? (Ticking multiple boxes allowed)

- Private Consulting Companies / Private Foreign Trade Advisor
- Commercial Bank
- Commercial Credit Insurer (e.g. Euler Hermes, Atradius, Coface, Marsh)

If Q23 “1./2. or 3. Yes”

24. Have you already made use of external support from private institutions for FDIs?

- ☐ Yes
- ☐ No

If Q24 “Yes”

25. With which private institutions have you already made use of external support? (Ticking multiple boxes allowed)

- ☐ Private Consulting Companies / Private Foreign Trade Advisor
- ☐ Commercial Bank
- ☐ Commercial Credit Insurer (e.g. Euler Hermes, Atradius, Coface, Marsh)

If Q24 “No”

26. For what reasons have you not yet taken advantage of external support from private institutions? (Ticking multiple boxes allowed)

- ☐ No need
- ☐ No offers known
- ☐ Administrative processes too complex
- ☐ No suitable offers
- ☐ Other:

If Q24 “Yes”

27. In general, how do you evaluate the private support services used by your company for FDIs?

Awareness:

Finding the right support was 1 = very easy / 5 = very difficult

Initiation phase:

Making a contact was 1 = very easy / 5 = very difficult

Agreement phase:

The administrative processes were 1 = very easy / 5 = very difficult

Product:

The quality of the support provided was 1 = very good / 5 = very bad

Digitisation:

The digitisation of the administrative processes was 1 = very high / 5 = very low

If Q2 Foreign Direct Investment

28. Which FDI supporting instruments from semi-public and public institutions are you aware of? (Ticking multiple boxes allowed)

- ☐ Chamber of Commerce (IHK, HWK)
- ☐ Chamber of Commerce Abroad (AHK)
- ☐ Economic Divisions of the German Embassies
- ☐ Germany Trade & Invest (GTAI)
- ☐ Public (Development) Bank (e.g. KfW, AKA Bank, Federal State Bank)
- ☐ Public Investment Insurance Agency (e.g. Euler Hermes)
- ☐ Multilateral Development Bank (Asian Development Bank, EBRD)

If Q28 “1./2./3./4./5./6./7. and/or 8. Yes”

29. Have you already used external support for FDIs?

- ☐ Yes
- ☐ No

If Q29 “Yes”

30. At which semi-public and public institutions have you already made use of external support? (Ticking multiple boxes allowed)

- ☐ Chamber of Commerce (IHK, HWK)
- ☐ Chamber of Commerce Abroad (AHK)
- ☐ Economic Divisions of the German Embassies
- ☐ Germany Trade & Invest (GTAI)
- ☐ Public (Development) Bank (e.g. KfW, AKA Bank, Federal State Bank)
- ☐ Public Investment Insurance Agency (e.g. Euler Hermes)
- ☐ Multilateral Development Bank (Asian Development Bank, EBRD)

If Q29 “Yes”

31. In general, how do you evaluate the semi-public and public support services used by your company for FDIs?

Awareness:

Finding the right support was 1 = very easy / 5 = very difficult

Initiation phase:

Making a contact was 1 = very easy / 5 = very difficult

Agreement phase:

The administrative processes were 1 = very easy / 5 = very difficult

Product:

The quality of the support provided was 1 = very good / 5 = very bad

Digitisation:

The digitisation of the administrative processes was 1 = very high / 5 = very low

If 29 “Yes”

32. If you have already used external support from semi-public and/or public institutions, who has carried out the administrative processes for your company? (Ticking multiple boxes allowed)

- ☐ Private Consulting Companies / Private Foreign Trade Advisor / Commercial Bank
- ☐ In-house, supported by Private Consulting Companies / Private Foreign Trade Advisor / Commercial Bank
- ☐ In-house

If Q29 “No”

33. For what reasons have you not yet taken advantage of external support from semi-public and public institutions? (Ticking multiple boxes allowed)

- ☐ No need
- ☐ No offers known
- ☐ Administrative processes too complex
- ☐ No suitable offers
- ☐ Other:

If Q2 Foreign Direct Investment

34. For which functional areas of your foreign activities with regard to FDIs is or would a support offer be particularly helpful? (Ticking multiple boxes allowed)

- ☐ Market and competitive analyses
- ☐ Law/Tariffs/Dealing with government agencies
- ☐ Marketing/Sales
- ☐ Finding new partners abroad
- ☐ Financing
- ☐ Hedging/Insurance
- ☐ Staff recruitment
- ☐ Training
- ☐ Communication with experienced companies
- ☐ Fairs/Exhibitions
- ☐ Corruption avoidance
- ☐ Support in the run-up to political decisions
- ☐ No support required
- ☐ Others _____

35. In which federal state is your company based?

- ☐ Baden-Wuerttemberg
- ☐ Bayern
- ☐ Berlin
- ☐ Brandenburg
- ☐ Bremen
- ☐ Hamburg
- ☐ Hessen
- ☐ Mecklenburg-Vorpommern
- ☐ Niedersachsen
- ☐ Nordrhein-Westfalen
- ☐ Rheinland-Pfalz
- ☐ Saarland
- ☐ Sachsen

- Sachsen-Anhalt
- Schleswig-Holstein
- Thuringen

36. How many employees did you have in 2018

- 0-9
- 10-49
- 50-249
- More than 250

37. What was your turnover in 2018?

- Up to 2 million euro
- Up to 10 million euro
- Up to 50 million euro
- More than 50 million euro

38. What was your balance sheet total in 2018?

- Up to 2 million euro
- Up to 10 million euro
- Up to 43 million euro
- More than 43 million euro

39. What was your turnover divided in international activities in 2018?

- Domestic turnover approx (in million EUR):
- Export turnover approx (in million EUR):
- Turnover by foreign production facilities approx. (in million EUR):

Appendix 2: Semi-Structured Interview Guide

1. Background Information:

Q01: What is your personal experience with international activities?

2. International Activities

Q02: In which activities is your enterprise internationally active?

Q03: What are the reasons why you are active internationally (e.g. for your corporate strategy)?

Q04: What are the most important threads within your international activities (e.g. lack of information, employees, financial risks, political risks)? Why and to what extend?

3. Role and Utilisation of Government Promotion Organisations

Q05: Are you aware of any government promotion programmes?

➔ Could you please state them?

➔ How did your enterprise become aware of the programmes?

* If no programmes are known:

- Chamber of Commerce (IHK)
- Chamber of Commerce Abroad (AHK)
- Economic Divisions of the German Embassies
- Germany Trade & Invest (GTAI) / BMWi
- Public (Development) Bank (e.g. KfW, Federal State Bank)
- Public Export Credit/Investment Insurance Agency (e.g. Euler Hermes)

➔ For what reasons are you unaware of any support organisations? Could you please describe this reasons why you are not aware?

Q06: Have you already used government programmes? If yes: (if not, Q07)

➔ Could you please state them, including the kind of the promotion instruments?

➔ What is your experience regarding the initiation phase, are there any positive/negative aspects?

- ➔ What is your experience regarding the agreement phase, any positive/negative aspects?
- ➔ What is your experience with the utilisation of the governmental instrument(s) and the cooperation with the organisation? Are there any obstacle factors, in particular managerial factors (time, knowledge)?

Q07: If no governmental programmes have been used yet or very few, why not?

- ➔ Can you describe the internal barriers?
- ➔ Can you describe the external barriers?
- ➔ Generally, to what extent does this affect your enterprises strategy?

Q08: Do you use or are ware of private organisations such as your house bank to take advantage of government support measures? (Some programmes require this, e.g. Bestellerkredite Hermesdeckung). What is your experience regarding this cooperation?

4. Comprehensive Government Network

Q09: How do government organisations take into account the views and opinions of SMEs? Can you explain your experience?

Q10: In which areas of internationalisation is support most necessary for your enterprise (e.g. Financing, Marketing, Networking, General Information)?

Q11: How do you proceed if you would like to find out about potential funding organisations and funding programmes for your international activities?

- ➔ Are you aware of the central funding database of the GTAI/BMWi

Q12: Do you see the various governmental organisations as a single unit or as completely separate entities, each acting independently of the other? Why and to what extend?

Q13: Currently, these are mostly individual actors. What would you think about a new approach where the government organisations are interlinked under one roof and offer services like advisory services, financing, marketing and the long-term promotion of the image of German. What is your opinion/view regarding a central unit? Why and to what extend?

Q14: What is your experience regarding digitalisation and processes in the field of governmental support?

➔ In particular, what is your opinion on a centrally controlled digital platform (digital econ system), which on the one hand serves as a digital core platform for communication, but is also used as an innovation platform? Would you see any positive aspects that would benefit your enterprise?

Q15: What are the general aspects, which, in your opinion, would simplify and make better the use of government support?